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**Massachusetts Department of Telecommunications
and Energy**

2004 Annual Report

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Introduction

The Department of Telecommunications and Energy ("Department"), formerly the Department of Public Utilities, has a dual role of ensuring that regulated industries provide quality service at reasonable rates and promoting public safety. Public safety, particularly in the natural gas pipeline and transportation industries, is the Department's most important responsibility. The safety and security of the utility and transportation infrastructure components regulated by the Department have taken on an increased level of importance at the Department since the terrorist attacks of September 11, 2001.

The Department is overseen by a five-member Commission appointed by the Governor. According to statute, one member must have a background in electricity and energy issues, including issues related to natural gas, another in telecommunications, one in cable television, and one member must have a background in consumer protection and advocacy. The Governor designates one of the Commissioners as Chairman.

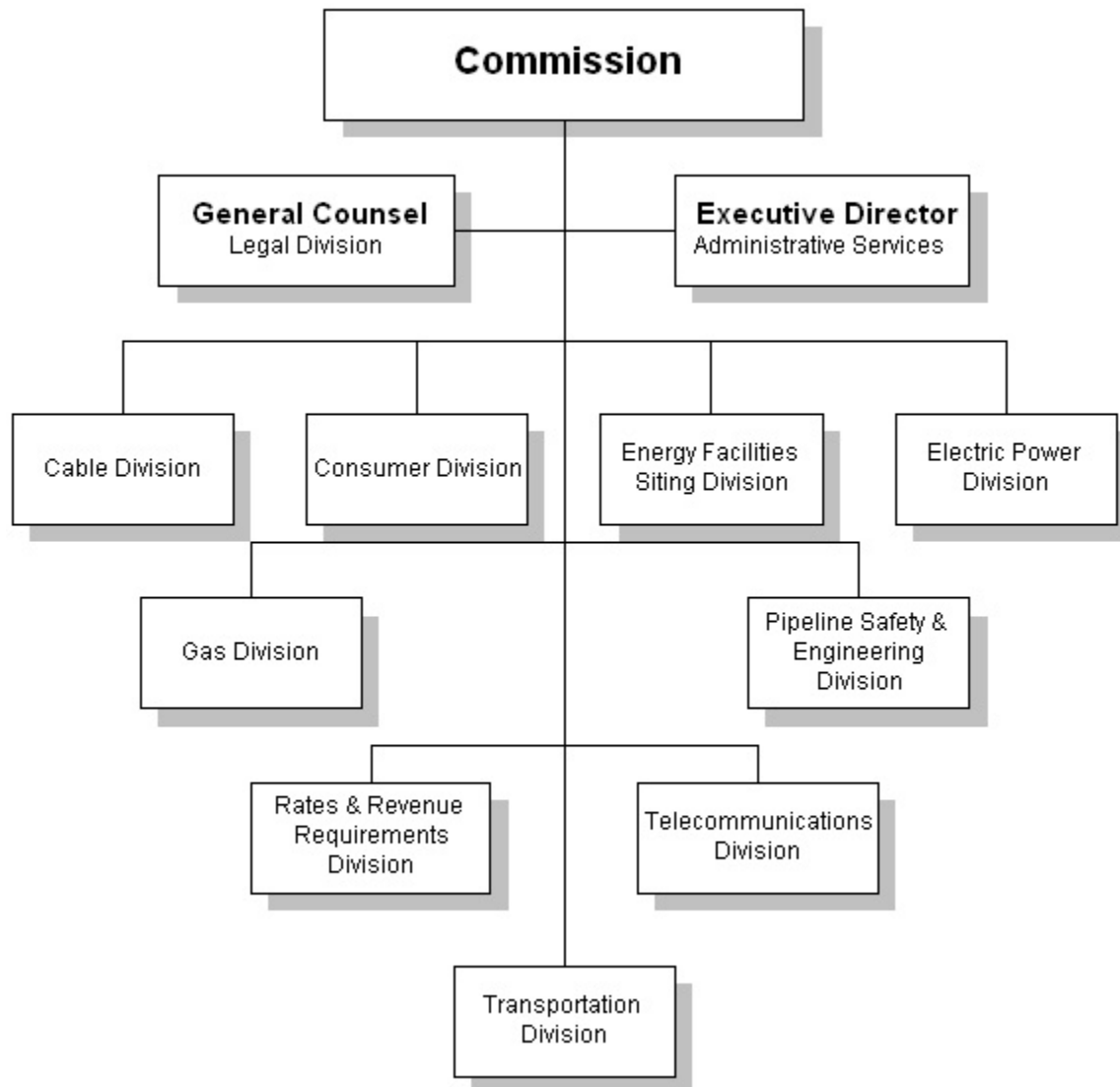
The Department has regulatory authority for a significant portion of the Massachusetts economy, approximately \$9.8 billion, including the electric, gas, cable television and telecommunications industries. The Department's responsibilities include establishing rates and ensuring service quality for the investor-owned electric power, natural gas, telecommunications, and water industries. The Department also plays a role in setting rates in the transportation, water and cable television industries. The Department does not regulate the rates or services of other public agencies, such as municipal electric companies or water authorities.

The energy and communications industries are in the midst of revolutionary changes in technology, market structure, and regulatory policy. Some of these changes are driven by state law, particularly in the electric industry. Over the past eight years, the Department has devoted significant efforts to establishing structural conditions and economic policies that allow for the development of efficient competitive markets, wherever they are feasible. The year 2004 is significant because it was the last full year of standard offer electric service. The Department dedicated numerous resources in 2004 to prepare for the end of standard offer service on March 1, 2005.

Federal law and regulation are driving many of the changes in the energy and telecommunications industries. In some cases, federal actions have reduced the discretion of the Department in important respects. To protect Massachusetts customers' interests, the Department has increased its involvement in the federal policy-making process, both individually and as an active participant in the New England Conference of Public Utility Commissioners and the National Association of Regulatory Utility Commissioners.

This report summarizes the responsibilities of the various staff divisions within the Department, provides details about the day-to-day functions of the agency and provides information about specific activities and accomplishments during 2004.

Organizational Chart



Electric Power Division

Overview

The Electric Power Division's mission is to ensure that (1) Massachusetts electric companies¹ provide their customers with distribution and customer service in a safe, reliable and least-cost manner, and (2) retail competitive suppliers provide generation service to customers in a manner that is consistent with the 1997 Electric Industry Restructuring Act ("Restructuring Act") and the Department's regulations.

In addition to performing the Department's general oversight of electric companies, the Electric Power Division must:

- Review electric companies' service quality plans and performance;
- Monitor and assess electric outages, and oversee plans for corrective actions;
- Evaluate the cost-effectiveness of electric companies' energy efficiency programs;
- Review annual transition cost reconciliation filings;
- Participate in regional and national initiatives to further implement restructuring of the wholesale electric industry;
- Monitor wholesale market prices and the availability of long-term power supplies;
- Develop Department initiatives to assist the development of a competitive generation market for small customers;
- Review electric company solicitations for default service supply (through February 2005); and
- Grant licenses to qualified entities to serve as competitive suppliers and electricity brokers.

¹ The electric distribution companies in Massachusetts are: Fitchburg Gas and Electric Light Company; Massachusetts Electric Company and Nantucket Electric Company; Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company ("NSTAR Electric"); and Western Massachusetts Electric Company.

Background

To better understand the Electric Power Division's mission, it is helpful to think of electric service as being comprised of four components: (1) generation service, associated with the power plants that create the electricity; (2) transmission service, associated with the wires and facilities that transport the electricity at high voltages from power plants to distribution substations; (3) distribution service, associated with the wires and facilities that transport the electricity at low voltages from distribution substations to customers' facilities and homes; and (4) customer service, including the provision of billing and metering services. Historically, the Massachusetts electric companies provided all of the electric service components to their customer on a bundled, monopoly basis (i.e., customers had no choice but to receive these services through their electric companies). The Department regulated the electric companies to ensure that they provided all of the service components on a reliable, least-cost basis.

In November 1997, the Massachusetts General Court passed the Restructuring Act, which introduced competition into the generation component of electric service. The Restructuring Act states that "long term rate reductions can be achieved most effectively by increasing competition and enabling broad customer choice in generation service, thereby allowing market forces to play the principal role in determining the suppliers of generation for all customers." Pursuant to the Restructuring Act, since March 1, 1998, customers have had the opportunity to choose entities other than their electric companies to provide the generation component of their electric service. Conversely, the other components of electric service (transmission, distribution and customer service), continue to be monopoly services that are provided by the Massachusetts electric companies and are fully regulated by the Department or, in the case of transmission, by the Federal Energy Regulatory Commission ("FERC"). Thus, at the present time, customers receive these non-generation services from their local electric distribution companies.

The Restructured Electric Industry

The Restructuring Act establishes three generation service options that are available to customers: (1) standard offer service, a "rate-protected" transition service that electric distribution companies continued to provide through February 2005; (2) competitive generation service, provided by competitive suppliers; and (3) default service, a "last resort" service that also is provided by electric distribution companies. All customers receive the same level of distribution, transmission, and customer service, regardless of the option under which the customer is receiving generation service. However, the price that the customer pays for generation service is dependent on the type of service the customer is receiving.

On March 1, 2005, the seven-year transition period to a competitive electric market established by the Electric Restructuring Act, which encompassed standard offer and default service options to move customers to a competitive market without price shocks, expired. Therefore, as of March 1, 2005, default service and standard

offer service no longer exist and have been replaced by Basic Service through Order of the Department.

Standard Offer Service

The Restructuring Act establishes standard offer service as a transition generation service, available through February 2005, which each electric company is required to provide to those customers that were receiving electric service from the company as of March 1998. Standard offer rates for each electric company are set at levels that ensure that standard offer customers receive a 15 percent reduction in their electric bills, adjusted for inflation, relative to a summer 1997 reference level. With limited exceptions, a customer who switches to a competitive supplier is not eligible to return to standard offer service.

The statutory requirement that standard offer service customers receive a 15 percent bill reduction has resulted in standard offer rates from distribution companies that are often below the prices that competitive suppliers are able to offer (i.e., the standard offer rates are below-market). Thus, the majority of customers that are eligible to receive standard offer service have, to date, had little financial incentive to switch to a competing supplier. This is particularly true for residential and small business customers. Below-market standard offer rates present an impediment to the development of a robust competitive market for smaller customers, which may remain the case through February 2005.

Competitive Generation Service

As stated above, the linchpin of the restructuring of the electric industry is the creation of a competitive market for generation services. Consistent with the Restructuring Act, the Department's goal is to provide electricity customers with the broadest possible choice of generation suppliers, in order to allow customers to share in the benefits of the competitive marketplace. To do so, the Department grants licenses to qualified entities to serve as competitive suppliers and electricity brokers in the restructured industry. Competitive suppliers are entities that purchase electric output from generators at the wholesale level, and sell the electricity to consumers at retail. Electricity brokers are entities that facilitate or arrange for the sale of electricity to customers, acting as "middlemen" between suppliers and customers. Staff from the Electric Power Division review license applications to determine whether the applicant has demonstrated, among other things, the financial and technical capability to provide the applicable services. As of December 31, 2004, there were 21 licensed competitive suppliers and 41 licensed electricity brokers in Massachusetts. These suppliers and brokers focus their activities primarily on large and medium-sized business customers.

The terms and conditions by which competitive suppliers offer products and services to customers, including prices, are determined by the competitive electricity marketplace. To assist customers in comparing the products that may be offered by various suppliers, the Restructuring Act requires each supplier to make available to customers information disclosure labels which describe, among others things, the

environmental characteristics of the power plants from which the supplier purchases the electrical output.

In order to assist in the development of the competitive market, the Department requires that each electric distribution company make available, to licensed suppliers and brokers, customer information lists that include, among other things, customer names, addresses, and historic consumption data (customers may opt to have their information removed from the lists). This information should allow suppliers to market their products and services to customers more efficiently. In addition, the Department has established the manner by which supplier and brokers may obtain mandated customer authorization over the internet.

The Restructuring Act establishes special provisions for a municipality that seeks to aggregate the electrical load of customers located within its municipal boundary, for the purpose of allowing those customers access to competitive supply market. The Department has approved a municipal aggregation plan for the Cape Light Compact, which includes the towns located on Cape Cod.

Default Service

Default service is the “last resort” generation service that each distribution company is required to make available to those customer who are not eligible for standard offer service and are not receiving generation service from a competitive supplier. Customers who move into an electric distribution company’s service territory after March 1, 1998, receive default service until they select a competitive supplier. Default service rates are market-based, as determined by competitive solicitations for default service supply for each electric distribution company undertakes. Staff from the Electric Power Division review each company’s solicitations to ensure consistency with the Department’s rules and regulations.

2004 Additional Electric Power Division Responsibilities

Implementation of Service Quality Standards

The Restructuring Act directed the Department to establish service quality standards that would require Massachusetts electric companies to maintain, at a minimum, their historic levels of service quality. The Restructuring Act includes a provision for penalties that companies will incur if they fail to meet their historic levels of service quality. The Electric Power Division assisted the Department in the 2003 review and the establishment of 2004 service performance measures for reliability (frequency and length of electric outages), safety, customer service and billing, customer satisfaction, and staffing levels.

Monitoring of Distribution System Reliability

The Electric Power Division continually monitors the reliability of electric distribution systems. In the summer of 2001, Massachusetts residents experienced repeated record-breaking demand for electric power. These conditions led to

numerous and prolonged distribution system power outages. To reduce future outages, the Department directed electric companies to: (1) examine the underlying causes of these outages, (2) diagnose any operational or physical problems in the distribution system, and (3) establish a plan to reduce or eliminate recurrences. As a result, the companies planned numerous upgrades to their facilities. The Electric Power Division monitors the implementation of these upgrades. In addition, the Department directed electric companies to submit an annual report including but not limited to (1) a ten-year load forecast; (2) the transmission and distribution design and planning criteria; (3) a distribution system operating study; and (4) a prioritization of distribution improvement projects. During 2004, the Electric Power Division reviewed each electric company's annual report for the prior year.

The Department's Outage Reporting Protocol ("ORP") requires electric distribution companies to use an automated, electronic system to file and update reports of outages via the internet. The ORP provides data within 30 minutes on electricity outages that affect 500 or more customers (or 500 customer-hours), or affect a critical facility (hospital, school, public transit, etc.). Information contained in ORP filings includes: the areas impacted by an outage; number of customers affected; number of circuits; likely cause of the outage; any bodily injury; whether a critical facility is affected; whether the wires are overhead or underground; and contact information. The ORP helps both the Department and distribution companies monitor and assess outages so that corrective measures can be developed and implemented. When a distribution company plans an outage, it must notify the Department seven days in advance. Distribution companies submit reports analyzing all significant outages reported during the quarter.

Evaluation of Energy Efficiency Programs

The Department requires Massachusetts electric companies to implement energy efficiency programs. In 2004, companies installed energy efficiency equipment projected to save customers about \$406 million over the useful life of that equipment. To fund their energy efficiency programs, the distribution companies charge customers 0.25 cents per kilowatt-hour ("KWH") a rate specified in the Restructuring Act that will remain in effect through 2007. Staff from the Electric Power Division work closely with the Division of Energy Resources ("DOER") to monitor the programs; DOER oversees the programs' designs and budgets, while the Department reviews the programs to ensure their cost-effectiveness (i.e., that implementation of the programs will provide net benefits to customers).

Review of Transition ("Stranded") Cost Reconciliation Filings

Transition costs are those generation-related costs incurred by Massachusetts electric companies prior to industry restructuring, which the companies would not otherwise be able to recover from their customers because of the introduction of a competitive market for generation services. Said otherwise, transition costs represent the above-market, or uneconomic, portion of the companies' overall generation costs. The Restructuring Act allows electric companies to recover their transition costs,

provided that the companies take all steps to mitigate these costs, including the divestiture of their generating units. Electric Power Division staff reviewed the divestiture filings submitted by each of the electric companies, to ensure that such divestiture fully mitigated each company's transition costs. Electric Power Division staff continue to review the annual transition cost reconciliation filings submitted by each company to ensure compliance with the Restructuring Act.

Monitoring of Wholesale Electricity Markets

The electricity grid that serves customers in Massachusetts is part of an integrated New England-wide power grid, which is operated by the federally-regulated Independent System Operator, New England ("ISO-NE"). ISO-NE oversees the dispatch of generating plants and the operation of transmission assets in New England, in order to fulfill its primary responsibility of ensuring the minute-by-minute reliability of the regional grid. In 2004, staff from the Electric Power Division have been actively involved in FERC proceedings, to ensure that the interests of Massachusetts electricity customers are properly served. Electric Power Division staff also monitors wholesale market prices and the availability of long-term power supply to ensure that electric service continues to be available to customers in a reliable, affordable manner. This is particularly important to customers located in a "load pocket" like the metropolitan Boston area, which typically consumes more electricity than it generates.

2004 Electric Power Division Accomplishments

The Electric Power division actively participated in the following major dockets in calendar year 2004:

- Outage Preparedness Task Force. The Electric Power Division investigated independently, and as part of the Governor's Task Force, the causes of the August 14, 2003 eastern electric interconnection outage and vulnerabilities for Massachusetts. The thirty member Task Force, convened by Paul G. Afonso, Chairman of the Department of Telecommunications and Energy, was established by the Governor the day after the blackout to investigate the reliability of electric service in Massachusetts and to make recommendations to assess the Commonwealth's vulnerability to widespread or cascading power outages. During 2004, the Electric Power Division continued its participation in the development of standards, such as vegetation management, that are being addressed nationally (FERC PL0-5-000, RM04-2-000, EL04-52-001).
- Outage Reporting Protocol. The Electric Power Division revised the electric company outage reporting system to incorporate more accurate outage information for analytical purposes. Staff monitors ORP data daily, and interacts with electric companies regarding significant and/or frequent interruption to customers.
- Report to the Legislature on Double Poles, D.T.E. 03-87 (2003). Pursuant to a legislative requirement, the Department investigated and issued a report to the

Legislature on the policies and practices of utility companies setting and removing double poles. The report recommended continued statewide oversight, did not recommend penalties at this time, and required utilities to submit plans to address the backlog of double poles. Also, the Department required utilities to develop a database that tracks pole equipment transfers. Accordingly, the utilities developed a pole life-cycle management system ("PLM"). In 2004, the Electric Power Division continued to monitor the PLM activity.

- Service Quality Plans, D.T.E., 04-15, 04-17, 04-19, 04-21, 04-22, and 04-25
The Electric Power Division reviewed the 2003 performance and approved 2004 goals for the electric utilities.
- Stray Voltage Measurement Practices. In light of a number of stray voltage and manhole incident reports in 2004, to provide maximum assurance of the public safety, the Department requested the electric companies to identify the extent to which stray voltage may exist within their respective service territories. The Department required the electric utilities to submit information regarding maintenance and inspection practices of underground facilities to examine whether the practices utilized by the utilities are adequate. The Department promptly inquires on any stray voltage or manhole incidents as soon as they are reported.
- Wholesale electric markets
 - Regional Transmission Organization. Pursuant to FERC initiative, the Electric Power Division participated in transmission company return on equity proceedings at FERC.
 - Regional Transmission Planning Process. The Electric Power Division participated in the various forums of a regional system expansion plan that addresses all aspects of planning to ensure the reliable and efficient operation of New England bulk electric power system and wholesale electricity marketplace through its Regional Transmission Expansion Plan report for 2004 (RTEP04). The Electric Power Division also participated in the review of a regional transmission expansion cost allocation proposal of NSTAR's 345kV under-ground transmission project as well as Southwest Connecticut's 345 kV underground and overhead project. In addition, the Electric Power Division participated in the New England Transmission Reliability Committee's process which includes the identification, justification and approval of projects to improve the New England region's electric system reliability. Several Massachusetts projects were included in the final plan approved by the ISO-NE Board of Directors.
 - Locational Installed Capability (LICAP). FERC ER03-563-030, The Electric Power Division participated in ISO-NE's further development of

the restructuring wholesale electric market, in this instance reviewing the ISO-NE and intervenor-filed positions and working with the Department to establish its position.

- Wind Generator NOPR, FERC RM05-4-000, The Electric Power Division reviewed and participated in discussions.
- NSTAR Purchased Power Contract Terminations, D.T.E. 04-60, 04-68 (2004). The Electric Power Division reviewed the various NSTAR proposals for contract termination and securization.
- Western Massachusetts Electric Company (WMECo) Transmission & Distribution Reclassification, D.T.E. 03-71 (2004). The Electric Power Division participated in the Department's investigation of the WMECo proposed reclassification of its capital base between transmission and distribution plant. The Department examined the function of the equipment involved to insure consistency with the methodology employed by FERC and ISO-NE.
- Distributed Generation, D.T.E. 02-38 (2003). The Department continued its investigation into "distributed generation" in Massachusetts. Distributed generation refers to generation facilities that connect directly to customers or to distribution lines, thereby alleviating the need for extensive transmission or distribution lines to deliver their power. On February 24, 2004, the Department approved, with some modifications, the "Tariff to Accompany Proposed Uniform Standards for Interconnecting Distributed Generation in Massachusetts" ("Model Interconnection Tariff"), filed by the Massachusetts Distributed Generation Interconnection Collaborative (electric distribution companies, distributed generation providers, government and quasi-governmental agencies, consumers, and public interest groups). The Department requested that the DG Collaborative include recommendations on the role of DG in distribution company planning be included in its next annual report (due end of May, 2005).
- NSTAR Electric, D.T.E. 03-121 (2004). Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company (together, "NSTAR Electric") proposed standby rates to address the installation of DG on the Company's distribution system. NSTAR Electric claimed that DG installations require unique tariffs due to the intermittent load of DG.

The Department approved a settlement concerning standby rates for NSTAR Electric. The settlement sets standby rates for NSTAR Electric through 2008. The settlement exempts many smaller and/or renewable distributed generation ("DG") installations.

- Default Service Costs, D.T.E. 03-88. In 2003, the Department opened an investigation to ensure that each distribution company includes all default service-related costs in its default service rates. Throughout 2004, the Electric Power Division participated in the on-going investigation.

Natural Gas Division

Overview

The Natural Gas Division (“Gas Division”) provides technical support to the Department in the regulation of the state’s investor-owned natural gas nine (also called “local distribution companies” or “LDCs”).² In total, these companies serve approximately 1.4 million gas customers, and have combined operating revenues of approximately \$1.8 billion.

Over the last several years, the Gas Division has worked to promote competition in the local gas distribution industry through the “unbundling” of rates. The Gas Division has brought about regulatory changes that provide gas customers with opportunities to participate in a competitive gas market, while maintaining traditional consumer protections.

The Gas Division has the authority and the responsibility to:

- Review local gas distribution companies’ forecast-and-supply plans and long-term gas supply contracts;
- Review non-tariff contracts for the sale and transportation of natural gas;
- Review the appropriateness and accuracy of LDC filings made pursuant to the Cost of Gas Adjustment Clause and the Local Distribution Adjustment Clause;
- Review LDCs’ energy efficiency plans;
- Assist the Rates Division in base rate, merger, and financing filings;
- Review LDCs’ service quality filings;
- License gas suppliers and retail agents; and

² The LDCs in Massachusetts are: Bay State Gas Company, The Berkshire Gas Company, Blackstone Gas Company, Fitchburg Gas and Electric Light Company, KeySpan Energy Delivery New England (formerly Boston/Colonial/Essex Gas Company), New England Gas Company (Fall River Gas Service Area and North Attleboro Gas Service Area), and NSTAR Gas Company.

- Review and, where appropriate, intervene in federal regulatory proceedings and activities that affect the interests of gas consumers in the Commonwealth.

Natural Gas Division Responsibilities

Review of Forecast and Supply Plans

LDCs must submit a five-year Forecast and Supply Plan to the Department for approval every two years. In its review of the forecast component, the Gas Division determines whether the company has accurately projected the gas requirements of the company's service area. A forecast must contain accurate and complete historical data and employ reasonable statistical projection methods. In its review of the supply plan, the Division must determine whether the plan is adequate to meet projected customer demand under a range of contingencies. During 2004, the Gas Division reviewed three forecast and supply plans.

Review of Long-Term Gas Supply Contracts

LDCs must submit all supply contracts with terms longer than one year to the Department for review and approval. Long-term supply contracts include both gas commodity (the physical natural gas) and capacity (the pipeline required to transport the natural gas from the production areas to the LDC's distribution system). In evaluating a gas company's proposed contract for commodity or capacity, the Gas Division examines whether acquisition of the resource would be consistent with the public interest. To do so, the Gas Division determines whether the LDC has shown that the acquisition (1) would be consistent with the company's portfolio objectives, and (2) would compare favorably to the range of options reasonably available to the company and its customers. During 2004, the Gas Division reviewed seven long-term supply contracts.

Review of Non-Tariff Contracts

Large commercial and industrial gas customers who are capable of burning alternative fuels, such as oil or coal, sometimes find that their gas companies' Department-approved tariffs are not competitive with their alternative fuel options. To retain these customers and assure a continued stream of revenue, LDCs may offer them non-tariff contracts, subject to Department approval. In its review, Gas Division staff ensure that (1) the customer is capable of burning an alternative fuel; (2) the price charged under the contract exceeds the marginal cost of providing this service; and (3) the company's existing ratepayers are not responsible for any of the costs associated with providing the specified service. In 2004, the Gas Division reviewed 33 non-tariff contracts.

Review of Requests for Cost Adjustments

Department regulations allow gas companies to recover costs for several gas supply factors. For example, gas commodity, storage, and transportation costs typically fluctuate seasonally. Through semi-annual cost-of-gas adjustment filings, LDCs request billing changes that enable them to reconcile these fluctuations. The Gas Division reviews these filings to ensure accounting accuracy and prudent company practices, and approves adjustments to billings via the Cost of Gas Adjustment Factor. In 2001, the Department amended its regulations to allow gas companies to make interim filings for recovery of gas costs, when projected under- or over-collections exceed five percent. The Gas Division encourages gas companies to request these adjustments, to reduce the impact on customers' bills when there are significant changes in gas costs. During 2004, the Gas Division reviewed 32 requests for costs adjustments.

Similarly, Department regulations allow a gas company to recover, or credit on a reconciling basis, a variety of costs that have been determined to be distribution-related but were not included in base rates.³ The charge used to recover all of these costs is referred to as the Local Distribution Adjustment Factor ("LDAF"). Examples of recoverable expenses include the costs of energy efficiency programs and costs related to the federal restructuring of the gas industry. LDCs can also recover costs associated with their federal and state mandated cleanups of past contamination at sites polluted by wastes from gas manufacturing plants. Although most gas manufacturing plants in Massachusetts ceased operations by the early 1950s, their wastes continue to present environmental hazards. The Gas Division reviews all company requests for adjustments via the LDAF to ensure accounting accuracy and prudent company practices. During 2004, the Gas Division reviewed 20 LDAF requests.

Review of Energy Efficiency Plans

Since 1992, the Department has required gas distribution companies to develop energy efficiency plans that bring cost savings to consumers and reduce the overall need for gas. The companies' plans typically include weatherization service programs (offering energy audits, attic insulation, wall insulation, air sealing, and heating system repairs) and rebates for the installation of clock thermostats or for the replacement of boilers, furnaces, and water heaters with high-efficiency units. The gas companies must submit their energy efficiency plans to the Division, which reviews the proposed programs to ensure cost effectiveness. The companies can then recover energy efficiency-related costs via the LDAF. In 2004, the Division reviewed five energy efficiency plans.

³ Base rates are designed to recover distribution-related costs (i.e., the costs to operate the LDC), including plant and equipment, labor, taxes, interest on borrowed funds, return on investment, billing, metering, and customer service.

Cooperation with the Rates Division

The Gas Division works closely with the Rates Division to review various rate case filings and merger and acquisition petitions. In traditional rate cases, Gas Division staff are responsible for reviewing the terms and conditions of distribution service, the allocation of local production and storage costs, weather normalization, gas-related cash working capital, marginal costs, and the treatment of revenues from off-tariff contracts. As the gas industry makes the transition to a competitive supply environment, the Department will continue to require gas companies to provide least cost distribution service, but this requirement will be implemented through performance based regulation ("PBR"). PBR refers to the use of incentives and price caps as a means of setting utility rates – in contrast to traditional rate-of-return rate making, which is based on a company's cost of service. An important feature of PBR is a service quality program, which ensures that companies will not compromise service through insufficient expenditures on customer service activities. In 2004, the Gas Division participated in the Department's review of Boston Gas Company's annual PBR compliance filing.

Review of Service Quality Filings

In June 2001, the Department issued an order finalizing service quality ("SQ") standards for all gas and electric distribution companies. The order established performance measures for customer service, billing, customer satisfaction, staffing levels, safety, and reliability. Pursuant to this order, the LDCs filed company specific service quality plans for Department review, which the Department approved in the spring of 2002. Each gas company filed a SQ report in March 2004 (and must do so every March), comparing its actual performance against the SQ standards established by the Department. The Gas Division is responsible for the review of all gas SQ plans to ensure that the companies maintain a minimum quality of service. During 2004, the Division reviewed ten SQ plans.

Licensing of Gas Suppliers and Retail Agents

Massachusetts residential customers may choose a gas supplier other than the LDC serving the customer's neighborhood. This allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers. However, the price charged by these competitive suppliers for natural gas is not regulated. Instead, competitive gas suppliers set their own prices, just like the sellers of most goods and services in the marketplace.

Gas suppliers and retail agents wishing to sell natural gas to Massachusetts retail customers must be certified by the Department on an annual basis. The Gas Division reviews the applications for these licenses and conducts interviews with the applicants. Staff determines whether the applicants have the technical ability to procure and deliver natural gas, and whether they are familiar with the Department's rules and the gas industry in general. The Division also evaluates documentation of the applicant's financial capability, such as the level of capitalization or corporate backing,

to provide the proposed services. In 2004, the Department reviewed 23 applications and approved eight gas suppliers and 13 retail agents (two applications were rejected or withdrawn). Currently there are twelve gas suppliers and 14 retail agents in the Commonwealth.

Participation in Federal Policy-Making

Over the past decade, actions taken by the Federal Energy Regulatory Commission, the federal Department of Energy, and Congress have dramatically changed federal regulation of the natural gas industry. These changes directly affect the interests of Massachusetts customers who are served by federally regulated pipelines and liquefied natural gas import terminals. Division staff works with other state agencies and regional organizations to stay informed regarding current federal statutory and regulatory proposals, and to develop public positions on issues that may affect Commonwealth interests.

Public Information and Review of Consumer Complaints

Gas Division staff provide information and assistance on a daily basis to consumers, government officials, marketers, regulated companies, consultants and financial analysts. In addition, Gas Division staff assist the Department's Consumer Division in addressing gas related consumer issues.

Competitive Gas Supply and Unbundling Initiatives

In the mid-1980s, FERC began to introduce more competition into the wholesale gas industry by allowing the customers of interstate gas pipelines, primarily LDCs and some large industrial consumers, to procure their gas supplies separately from the pipeline services that transport the gas. Previously, the pipeline companies "bundled" the price of the gas commodity and the transportation services together into one rate. To enable gas customers to now buy their gas from competing suppliers, FERC required all interstate pipelines to "unbundle" gas transportation from gas sales, and to offer the transportation component under a separate rate.

In Massachusetts, the Department determined that if the benefits of FERC's actions were to fully accrue to Massachusetts gas consumers, these consumers must similarly have the opportunity to purchase gas from sources other than an LDC. As a first step, the Department directed all Massachusetts LDCs to file gas transportation rates for their large customers. Beginning in 1988, large gas customers in the Commonwealth began to purchase gas from suppliers other than LDCs. Since the early 1990s, the Department has been active in implementing new policies so that the benefits of the competition created by FERC could reach additional LDC customers. As a result, all LDCs in Massachusetts offered unbundled rates, allowing most of their commercial and industrial customers to choose their own gas supplier at competitive commodity rates.

Moreover, the Department determined that the benefits of competition should be extended to all customers, including residential customers. The Department's ultimate objective throughout its unbundling efforts has been to provide the opportunity for the residential and smaller commercial and industrial users of natural gas to benefit from the prospective benefits of lower commodity prices while maintaining the traditional consumer protections that have been the hallmark of Department regulation. The separation of the sale of the gas commodity is necessary to provide customers with accurate price signals and the ability to choose and purchase gas supplies separately from distribution services. Since November of 2000, with the approval of the unbundling regulations and terms and conditions for gas transportation service, residential customers are able to choose their own gas supplier. This change allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers.

2004 Gas Division Accomplishments

During 2004, the Gas Division reviewed:

- Three forecast and supply plan filings.
- Seven long-term gas supply contracts.
- 33 non-tariff contracts for the sale and transportation of natural gas (firm service, quasi-firm service).
- 32 gas-cost-recovery filings pursuant to the Cost of Gas Adjustment Clause ("CGAC").
- 20 cost recovery filings pursuant to the Local Distribution Adjustment Clause ("LDAC").
- Five energy efficiency filings, as well as ten residential energy conservation service program filings.
- Ten service quality plans.
- 23 applications for the licensing of gas suppliers and gas retail agents.

Rates and Revenue Requirements Division

Overview

The Rates and Revenue Requirements Division ("Rates Division") is responsible for providing the technical expertise the Department needs to determine the appropriate levels of revenues, rates and charges for the seven investor-owned electric companies, nine investor-owned gas companies and twenty investor-owned water in the Commonwealth. The technical support provided by the Rates Division includes expertise in economics, finance, accounting, and public policy.

The Rates Division staff assists the Department's Legal Division in developing the evidentiary record in adjudicatory proceedings concerning the rates or finances of the investor-owned natural gas, electric, and water companies doing business in Massachusetts. The Department's decisions in these proceedings are directly appealable to the Supreme Judicial Court under G.L. c. 25, § 5.

The regulation of the natural gas, electric, and water industries requires the Rates Division to:

- Review electric utility restructuring related filings including: reconciliation of standard offer service, default service, transmission, and transition costs and revenues; default service and standard offer service procurement and billing; securitization; and divestiture of generation assets and power contracts;
- Review requests to change base rates through either cost of service regulation or performance-based regulation ("PBR");
- Review financing requests;
- Review service quality plans;
- Review mergers and acquisitions;
- Coordinate the assessment of electric and gas utilities;
- Review retail electric contracts;
- Review municipal streetlight purchase disputes;
- Provide information and assistance to the public, government officials, press, industry, and other government agencies.

Division Responsibilities

Review of Electric Utility Restructuring-Related Filings

As part of the continued implementation of the Electric Restructuring Act, the Department annually conducts a reconciliation, or “true-up,” for each electric company. Under the Electric Restructuring Act, each electric distribution company may collect stranded or transition costs, which cannot be mitigated, through a transition charge. The Rates Division evaluates the costs and revenues that each electric distribution company proposes to reconcile through the transition charge. The Rates Division's analysis results in an Order that may require adjustments to the calculation of a company's transition charge in the following year. These adjustments are based on the Department's determination that a company has either over-collected or under-collected its transition charge expenses.

The Rates Division also reviews filings by each of the electric distribution companies seeking to reconcile the costs of providing standard offer service, default service, and transmission service. The distribution companies are allowed dollar-for-dollar recovery for providing such services. The Rates Division must ensure that these rate changes comply with the rate reduction requirements of the Electric Restructuring Act.

Pursuant to the Electric Restructuring Act, the Rates Division also reviews the procurement of standard offer service and default service load by the electric distribution companies, and determines the price for these services. In addition, the Rates Division reviews proposals from the electric companies to securitize assets in order to obtain lower financing costs, divest generation assets and purchased power contracts, mitigate stranded costs, and resolve streetlight purchase disputes. In each of these cases, the Rates Division must ensure that the outcome conforms with the intent of the Electric Restructuring Act and each company's restructuring plan.

Review of Requests To Change Base Rates

The Rates Division follows general Department practices in reviewing rate cases which include: reviewing initial filings, participating in informal technical conferences, issuing information requests, drafting pre-hearing memoranda for the Commission, cross-examining company and intervenor witnesses during hearings, developing and discussing with the Commission various options for resolution of issues, and preparing draft Orders for Commission review.

Changes to base rates are based on either traditional cost of service regulation or PBR. Establishing rates under PBR requires a determination of cost-of-service rates (using traditional cost of service regulation), industry productivity factors, inflation factors, and service quality measures.

For water companies, the review of rate cases is not always cost-effective because the administrative costs of preparing and litigating a rate case for a small water company can equal or exceed the rate relief sought. To streamline the regulatory process, the Department has created a settlement intervention staff (“SIS”) that independently reviews rate requests and conducts off-the-record negotiations with water company officials and intervenors. The SIS has no direct communication with the Commission regarding pending cases. SIS and the other parties on the case may submit a proposed rate settlement to the Commission. The Commission may either approve the settlement, return it to the settling parties with suggested modifications, or reject it with or without subsequent evidentiary hearings. To date, this process has saved the Department, water companies, and ratepayers considerable amounts of time, resources, and expenses.

Review of Financing Requests

The Rates Division also is responsible for the review of financing cases. Financing cases relate to company proposals for the issuance of debt or equity securities. The primary focus in such cases is to carry out statutory mandates that require utilities to issue only those securities reasonably necessary for utility operations and to have sufficient net plant (i.e., undepreciated assets in rate base) to ensure sound securities.

Review of Service Quality Plans

In 2001, the Department established service quality standards for all electric and gas utilities. Service Quality, D.T.E. 99-84. The Rates Division reviews annually the compliance filings made by the electric and gas companies in response to the Order to determine whether the electric and gas companies have met the service quality standards and, if not, the appropriate penalties to be assessed.

Review of Mergers and Acquisitions

Pursuant to G.L. c. 164, § 96, the Rates Division reviews all merger and acquisition proposals that are filed with the Department to determine if they are in the best interest of ratepayers. The Rates Division analyzes: the proposal’s effect on rates, service quality, net savings, and competition; the financial integrity of the post merger entity; the fairness in the distribution of resulting benefits between shareholders and ratepayers; and societal effects such as job loss and economic development. The Rates Division also analyzes alternatives to the merger.

Coordination of Annual Assessments

Pursuant to G.L. c. 25, § 18, electric, gas and telecommunications companies that do business in Massachusetts are subject to an annual assessment on a percentage of their intrastate revenues. The Rates Division is responsible for gathering the revenue figures for the electric and gas utilities.

Review of Retail Electric Contracts

The Rates Division is responsible for the mandatory review of negotiated electric contracts between electric distribution companies and retail customers. Such contracts are evaluated to ensure consistency with Department standards. The onset of competition in the electric utility industry has reduced the need for electric contracts in recent years.

Review of Utility Accounting Matters

Utility companies are required to maintain their books in accordance with Department regulation. At times, a question may arise as to the appropriate interpretation of the Department's accounting regulations to the facts of a particular situation. To maintain uniformity of accounting, utilities are required to submit these questions to the Department for consideration and decision. During 2004, Rates Division staff received and responded to a number of accounting questions from utilities, primarily from municipally operated systems and water companies.

Review of Municipal Depreciation Requests

Pursuant to G.L. c. 164, § 57, municipal utilities are permitted to include in their rates an annual provision for depreciation expense equal to three percent of depreciable plant (plant less land and land rights), unless otherwise permitted by the Department. Because municipal utilities rely on depreciation funds as a source of funds for plant improvements and expansions without the need for resort to outside financing, municipal utilities may seek permission to increase their depreciation rate for a particular year. During 2004, the Rates Division evaluated and approved nine requests for increases in municipal depreciation rates.

Review of Consumer Complaints

The Rates Division provides assistance to the Department's Consumer Division in the review of rate and billing disputes by residential customers. In addition, because billing disputes by commercial and industrial customers are not generally handled by the Consumer Division, the Rates Division has, at times, provided informal assistance in resolving these billing disputes, primarily through review and interpretation of the applicable tariffs.

Public Information

Another important responsibility of the Rates Division is to provide timely and accurate information to the public regarding activities in the electric, gas, and water industries. This task requires working with other regulatory agencies, consumer groups, public interest groups, power suppliers, and utility companies to help them understand Department regulations and policies. The Rates Division also assists in the development of agency regulations to address the changing circumstances in the utility industry such as electric industry restructuring, gas unbundling, and new financial

accounting standards. The Rates Division also works with the Department's Consumer Division to respond to consumer complaints and to draft policy recommendations regarding consumer issues.

Precedent, Policies, and Practice

The Department sets rates using cost-of-service pricing principles where electric, gas and water rates are based upon the cost to serve various classes of ratepayers. Under cost-of-service pricing, the Rates Division reviews the costs incurred by utility companies to determine the reasonableness of such costs and to determine whether they were prudently incurred. The categories of costs include company annual expenses, capital investments, and rates of return for shareholders (i.e., the return on equity). Appropriate annual expenses plus a return on undepreciated rate base (i.e., a return on net capital investment) make up the company's "cost of service" or the "revenue requirement" upon which rate structures must be based.

Once the company's cost of service has been determined, a rate structure must be established that affords the company a reasonable opportunity to earn its allowed rate of return while meeting other policy goals. Rate structure is the level and pattern of prices that customers are charged for the use of utility services. A customer class' rate structure is a function of the cost of serving that rate class and the design of rates calculated to cover that cost. The Department's policy goals for utility rate structure are economic efficiency, continuity, fairness, earnings stability, and simplicity.

In many cases, however, attaining all of the above-mentioned goals simultaneously is impracticable within a single rate proceeding because some goals can be achieved only to the detriment of other goals. For example, the immediate implementation of cost-based rates where each customer class pays its fair apportionment of the costs incurred to serve them could cause the rates of certain classes to increase substantially, violating the goal of rate continuity or the goal of having rate changes occur in a gradual fashion to avoid rate shock.

2004 Rates Division Accomplishments

The Rates Division actively participated in the following major dockets in calendar year 2004:

- NSTAR Electric Standby Rates, D.T.E. 03-121 (2004). Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company (together, "NSTAR Electric") proposed standby rates to address the installation of DG on the Company's distribution system. NSTAR Electric claimed that DG installations require unique tariffs due to the intermittent load of DG.

The Department approved a settlement concerning standby rates for NSTAR Electric. The settlement sets standby rates for NSTAR Electric

through 2008. The settlement exempts many smaller and/or renewable distributed generation (“DG”) installations.

- Western Massachusetts Electric Company Rate Case Settlement, D.T.E. 04-106 (2004).
Western Massachusetts Electric Company filed a settlement that increased base rates by \$6 million effective January 1, 2005 and an additional \$3 million effective January 1, 2006. Thereafter, rates will remain at 2006 levels unless otherwise changed. The Attorney General and the Associated Industries of Massachusetts also signed on to the settlement. The Department approved the settlement on December 30, 2004.
- NSTAR Electric Purchased Power Renegotiations, various dockets.
NSTAR Electric filed either buyouts or buydowns of five purchased power agreements (“PPAs”). The PPAs are between NSTAR Electric and Ocean States Power, MASSPOWER, Dartmouth Power Associates, Northeast Energy Associates and Altresco Pittsfield. NSTAR claimed that all of the contract renegotiations results in savings to ratepayers. The Department approved all five of these renegotiated PPAs.

The Rates Division undertook review of the following financing cases:

Bay State Gas Company, D.T.E. 04-80 (2004)
(\$120,000,000 long-term debt)

Berkshire Gas Company, D.T.E. 03-89 (2004)
(\$20,000,000 long-term debt)

Boston Edison Company, D.T.E. 03-129 (2004)
(\$500,000,000 long-term debt)

Dover Water Company, D.T.E. 04-50 (2004)
(\$250,000 long-term debt)

Massachusetts Electric Company/Nantucket Electric Company, D.T.E. 04-51 (2004)
(\$40,000,000 long-term debt)

Massachusetts Electric Company/Nantucket Electric Company, D.T.E. 04-74 (2004)
(\$65,000,000 long-term debt)

Southern Union Company, D.T.E. 04-36 (2004)
(\$400,000,000 revolving credit agreement, \$130,000,000 common stock)

Southern Union Company, D.T.E. 04-41 (2004)
(\$4,250,000 common stock)

Southern Union Company, D.T.E. 04-75 (2004)
(\$700,000,000 investment)

Western Massachusetts Electric Company, D.T.E. 03-82-A (2004)
(\$52,000,000 long-term debt)

Telecommunications Division

Overview

The Telecommunications Division provides technical support to the Commission in the regulation of the telecommunications industry in Massachusetts. The industry is made up of local exchange carriers, interexchange carriers, operator service companies, and pay-telephone companies. The mission of the Telecommunications Division is to ensure that telecommunications companies provide their customers with the most reliable telecommunications resources at the lowest possible cost.

The Telecommunications Division's major responsibilities are to:

- Review new registrations from companies seeking to provide telecommunications services in Massachusetts;
- Review individual tariff filings that would implement new service offerings or change the rates, terms or conditions of existing service offerings;
- Monitor the quality of service provided by the state's incumbent local exchange carrier, Verizon;
- Analyze major federal regulatory decisions to evaluate their impact on state regulation of the telecommunications industry;
- Enforce Department regulations and policies;
- Revise existing policies and develop new policies in response to new technologies and market conditions; and
- Explain Department regulations and policies to telecommunications to consumers, public officials, and companies.

Regulatory Framework

The breakup of AT&T in 1985 led to major changes in the telecommunications industry and how it is regulated. Rapid growth and evolution in the industry challenge the Department to maintain a level of oversight that effectively mitigates market power and promotes economic efficiency, while encouraging technological innovation and sensitivity to customer needs.

The Department has jurisdiction over telecommunications services that originate and terminate within or between each of Massachusetts' two federally-designated

“Local Access and Transport Areas.” (“LATAs”).⁴ The Federal Communications Commission (“FCC”) regulates services provided between customers in different LATAs, as well as interstate and international services.

Retail Services

To reduce barriers to market entry and encourage competition for telecommunications service in Massachusetts, the Department has streamlined its registration procedures for companies wishing to do business as carriers here. Previously, the Department conducted an investigation into the financial, managerial, and technical ability of a carrier to offer service. The Department now permits carriers to offer service based simply on the submission of a Statement of Business Operations and a tariff. By streamlining the entry process, the Department has made greater resources and staff time available for other responsibilities.

Wholesale Services

Apart from building their own facilities to serve customers, carriers who wish to compete in the retail telecommunications market have two modes of entry availability to them. One of these is to lease unbundled network elements from the “incumbent” local exchange carrier⁵ (Verizon) and provide service over this leased network. The Department has authority over Verizon’s wholesale provision of unbundled network elements, ensures that they are provided in a non-discriminatory manner, and regulates the rates at which they are leased.

The other way a carrier can enter the market is to purchase a service from another carrier at a predetermined wholesale discount rate, then brand the service with their own name and resell it. The Telecommunications Division develops the wholesale discount rate pursuant to FCC methodology.

Payphone Providers

Many companies in addition to Verizon own and operate payphones in Massachusetts. In a 1986 Order, the Department held that all payphones must have labels clearly identifying the owner/operator of the phone, and must provide free access to 911 and directory assistance. The Department ensures that Verizon provides the lines necessary to provide payphone service on a non-discriminatory basis to all companies seeking to offer the service. During 2004, the Department handled filings from nine new payphone providers.

⁴ The Western Massachusetts LATA consists of the 413 area code; all other area codes in the state fall under the Eastern Massachusetts LATA.

⁵ The “incumbent” local exchange carrier is the entity that owned the network prior to the introduction of competition.

Division Responsibilities

Review of New Registrations

Telecommunications carriers wishing to do business in Massachusetts must file a Statement of Business Operations and a tariff with the Department. The statement includes a general description of the services to be offered by the carrier, contact information for customers who need to reach the carrier with questions or complaints, and a statement that the company has made all appropriate federal and state income tax filings and paid all income taxes. During 2004, the Department handled filings from 15 new competitive local exchange carriers.

Review of Original and Amended Tariff Filings

The Telecommunications Division reviews approximately 60 tariff filings in an average month, including new tariffs and amendments to existing tariffs. Competitive carriers are free to determine prices and service offerings based on what the market will bear. The Telecommunications Division reviews competitive carriers' tariffs to make sure that they do not contain any terms or provisions that are in violation of Department policy (e.g., a carrier cannot offer service on the condition that a customer agrees not to contest any charges), but otherwise generally allows new tariffs to become effective as filed. Because Verizon is the incumbent local exchange carrier, its tariffs receive greater scrutiny than those of competitive local exchange carriers (CLECs). The Telecommunications Division reviews Verizon's tariffs to ensure that its prices are just and reasonable.

Monitoring of Verizon's Service Quality

Since the passage of the federal Telecommunications Act of 1996, the Massachusetts telecommunications market has experienced competitive growth in all sectors, including residential, business, urban and rural. In 1995, the Department adopted a Service Quality Plan for Verizon, consisting of twelve service measures in the categories of Installation Service, Maintenance Service, and Service Response. Verizon reports its performance on each of the measures to the Department on a monthly basis. If Verizon's performance falls below the Department's threshold, Verizon pays a penalty in the form of a refund to the ratepayers. By continuing to monitor Verizon's quality of service, the Department ensures that Verizon allocates sufficient resources for the maintenance of quality basic service to all customers, regardless of the level of competition the company faces in a particular market.

Analysis and Implementation of Major Federal Regulatory Changes

Decisions of the FCC, Congress, and state and federal courts affect the structure of the telecommunications industry and the Department's authority to regulate intrastate telecommunications services. Telecommunications Division staff monitor large volumes of relevant case law from other agencies and jurisdictions to keep abreast of major issues that may influence the provision of telecommunications services within Massachusetts. In 2004, the FCC issued new rules governing the availability of unbundled network elements to competitive carriers. The Department is managing the smooth transition to the new federal unbundling rules in order to provide all carriers with adequate time to adjust their business plans, thus ensuring continued competitive growth in the Massachusetts telecommunications markets.

Enforcement

The Telecommunications Division enforces a wide variety of laws, regulations, and policies. For example, in 2004, the Telecommunications Division investigated claims that some carriers were not giving customers ten free in-state directory assistance calls per month as required under state law. The Department's methods for ensuring compliance include mass mailings notifying the industry of Department rules and regulations; issuing Notices of Probable Violation (NOPVs); opening investigations; and issuing Orders to cease and desist.

Development of Policies to Address New Technologies and Market Conditions

The evolution of the telecommunications industry within Massachusetts has resulted in many new telecommunications service providers and a plethora of new service offerings. Because of the changing nature of the telecommunications industry, the Telecommunications Division analyzes new technologies and market developments in order to determine their impact on consumers.

Education and Public Information

The Telecommunications Division devotes substantial staff time to explaining the Department's regulations and policies to potential and existing providers of telecommunications services. Staff also devotes significant time to consumer inquiries and refers consumers to the Consumer Division for additional assistance. From time to time, the Department requires telecommunications carriers to develop customer education materials explaining major changes in the provision of services. The Telecommunications Division reviews these education materials for technical accuracy.

2004 Telecommunications Division Accomplishments

Triennial Review, D.T.E. 03-59/03-60

In 2003, the Department opened an investigation into the implementation of the FCC Triennial Review Order, which established new standards governing the availability of wholesale unbundled network elements. The Department's investigation came to an abrupt halt in April 2004 when the D.C. Circuit's vacatur created considerable uncertainty in the industry, and the Department acted to ensure that Massachusetts consumers do not experience any disruption of service as a result. In late 2004, the FCC released new rules and the Department is managing the implementation of the new unbundling rules in Massachusetts.

Verizon Consolidated Arbitration, D.T.E. 04-33

The Department is arbitrating a dispute over amendments to the interconnection agreements between Verizon and many of the competitive carriers. Amendments to the interconnection agreements are necessary to reflect the new unbundling rules, and the Department will develop the contract language necessary to accurately implement the rules.

Cable Television Division

Overview

In 1971, the Legislature established the Massachusetts Community Antenna Television Commission "to authorize . . . the installation of community antenna television systems in cities and towns of the [C]ommonwealth and to provide for the regulation thereof by such cities and towns and the [C]ommonwealth. . . ." In the 30 years since the Legislature issued this grant of authority, what began as a service designed mainly to deliver off-the-air broadcast signals to rural and mountainous areas has become an \$1.36 billion industry in Massachusetts.⁶ While some households still rely on antenna reception, the principal alternative to cable television has been satellite television. In recent years, cable operators have altered service structures to compete more successfully not only with satellite providers, but with new technologies and new entrants to the marketplace, such as competitive overbuilders and municipally-owned companies. To this end, cable operators have begun a move toward offering bundled services, such as cable television, telephone, and cable modems. In recognition of the convergence of industries, the Legislature merged the Massachusetts Community Antenna Television Commission into the Department as the Cable Television Division ("Cable Division") in 1997.

Cable television continues to be regulated on the local, state, and federal level. Under its enabling legislation, G.L. c. 166A, and implementing regulations at 207 C.M.R. § 1.00 et seq., the Cable Division:

- Oversees cable television franchising, franchise renewal, and the transfer of cable franchises in the Commonwealth;
- Establishes basic service tier programming and equipment rates for communities in Massachusetts that have requested rate regulation; and
- Enforces consumer protection standards.

The Cable Division currently oversees eleven cable television operators serving over two million cable subscribers in 308 of the Commonwealth's 351 cities and towns. While the Cable Division does not regulate cable modems, broadband telecommunications has become an important part of the cable industry. Therefore, broadband has raised new issues for cable regulators, such as whether it is appropriate to calculate franchise fees on cable modem fees and the appropriate ways to manage combined billings.

⁶ The \$1.36 billion estimate includes cable television revenues only and excludes revenue from the sale of internet or telephone services.

Division Responsibilities

Oversight of Municipal Cable Franchising

In Massachusetts, local municipalities act as the issuing authorities and negotiate and grant cable licenses, while the Cable Division retains ultimate authority in licensing matters. The Cable Division conducts an extensive educational program for communities involved in the licensing process, regarding applicable substantive and procedural requirements at the local, state, and federal levels. When licensing disputes arise at the local level, the Cable Division serves as the appellate body.

Rate Regulation

In October 1992, Congress passed the Cable Television Consumer Protection and Competition Act, which provided for the regulation of cable television rates. Pursuant to this Act and G.L. c. 166A, the Cable Division regulates subscribers' rates for basic service tier programming, installation, and equipment in those Massachusetts communities that (1) have requested rate regulation and (2) do not have effective competition from a second cable operator, as determined by the FCC. The Cable Division reviews the proposed rates to determine whether such rates are just and reasonable and in compliance with applicable federal law.

In 2004, the Cable Division reviewed basic service tier programming, installation, and equipment rates for the majority of Massachusetts communities. The Cable Division issued eight rate orders, with respect to basic service tier programming, installation, and equipment rates only, affecting the rates in 281 municipalities. The states, and therefore the Cable Division, do not regulate other rates for cable packages beyond basic service. As cable operators consolidate operations and establish uniform channel lineups for all franchises, operators will likely move to more uniform pricing of services. The Cable Division concluded 2004 by opening an investigation into a rate restructuring proposal filed by the dominant cable provider in Massachusetts, Comcast Cable Corporation.

Consumer Protection and Education

The Cable Division, together with the Department's Consumer Division, investigates and resolves individual consumer complaints, either by informal negotiation between the consumer and the cable operator or by formal adjudicatory proceedings. The Cable Division also tracks patterns of complaints in order to identify and resolve more widespread problems.

The Cable Division has adopted regulations designed to afford cable subscribers consumer protections, particularly with respect to billing and termination of service. The Cable Division requires each cable operator to make annual filings to ensure compliance with these consumer protection regulations. Through dedicated telephone lines, published consumer information, fact sheets, and a consumer-friendly website, the Cable Division serves as a source of information for consumers seeking to

understand the options available to them, particularly as competition and consolidation of cable operators increases across the Commonwealth.

2004 Cable Television Division Highlights

A list of all Cable Division Orders issued during 2004 is attached as Appendix 1. Highlights of the Cable Division's activities in calendar year 2004, include:

- Form 100 Revision

In 2004, the Cable Division revised the License Application Form, known as the Form 100. Under state law, every cable operator must submit a license application to a municipality from whom it seeks a franchise. The Cable Division is charged with prescribing the appropriate form. The revisions adopted by the Cable Division appropriately balance the needs of municipalities to obtain relevant information with the regulatory obligations of cable operators. The revisions also reflect the current state of the industry and were adopted in recognition that municipalities would soon be evaluating a new competitor, Verizon, on the basis of information provided on the revised Form 100.

- Basic Tier Programming and Equipment Rates

The Cable Division reviewed basic service tier programming and equipment rates for the majority of Massachusetts communities in 2004 and issued rate orders resulting in refunds or credits to Massachusetts subscribers of over one-half million dollars.

Energy Facilities Siting Board and Department Siting Division

Overview

The Energy Facilities Siting Board (“Siting Board”) is a nine-member review board charged with ensuring “a reliable energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost.” The Siting Board’s primary function is to license the construction of major energy infrastructure in Massachusetts, including large power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. The Siting Board also has the authority to remove regulatory obstacles to the construction of energy infrastructure by issuing, or altering the terms of, other state and local permits.

Administratively, the Siting Board is located within the Department, but is not subject to Department supervision or control. The Siting Board is comprised of three commissioners of the Department, in addition to the Secretary of Environmental Affairs, the Director of Economic Development, the Commissioner of the DOER, and three public members who are appointed to three-year terms by the Governor. The Board is staffed by members of the Department’s Siting Division. A list of orders issued by the Energy Facilities Siting Board and Department Siting Division is attached as Appendix 2.

Siting Division responsibilities to the Siting Board and to the Department require its staff to:

- Review petitions to construct major energy infrastructure;
- Hear requests for override of local permits, licenses, or other requirements;
- Represent the Commonwealth in FERC proceedings;
- Enforce orders of the Siting Board;
- Review petitions for zoning exemptions; and
- Review petitions for eminent domain and survey access.

Siting Board Responsibilities

Siting Proposal Review

The Siting Board reviews petitions to construct major energy infrastructure, including power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. Siting Board review is conducted by means of a formal adjudicatory proceeding in accordance with G.L. c. 30A. Final decisions of the Siting Board are appealable directly to the Massachusetts Supreme Judicial Court.

The Siting Board's review of most types of energy infrastructure encompasses the need for the facility, alternative means of meeting that need, alternative sites, and environmental impacts and cost. The Siting Board's review of power plants, however, is generally limited to potential environmental impacts. The Siting Board's environmental review covers a broad range of issues, including noise, land use, health, and visual impacts; air quality; water resources; and the costs of mitigating environmental impacts. Siting Board decisions typically represent a balancing of local and regional environmental impacts, project costs, and the reliability and economic benefits of the project.

In recent years, the Siting Board's caseload has consisted primarily of reviews of proposed natural gas pipelines and electric transmission lines, including those needed to support the new power plants and the regional transmission grid. In 2004, the Siting Board reviewed and approved NSTAR's proposal to construct an approximately 18 mile, 345 kV transmission line that will bring critically-needed power into the Boston metropolitan area. In addition, the Siting Board staff issued a tentative decision approving the construction of a transmission line running from Barnstable into Nantucket Sound to interconnect Cape Wind Associates' proposed wind farm with the transmission grid; however, a final decision on the project was postponed when the U.S. Army Corps of Engineers issued a Draft Environmental Impact Statement on the project.

Federal Activities

The Siting Board represents the Commonwealth in proceedings before FERC concerning the construction of energy facilities in Massachusetts. For example, the Siting Board typically intervenes when interstate natural gas pipeline companies petition FERC to construct major gas pipelines in the Commonwealth. In 2004, the Siting Board participated in FERC's review of the proposed Weaver's Cove LNG Import Terminal, to be located in Fall River, and of El Paso's proposed Tewksbury/Andover Lateral, which would provide natural gas service to Bay State Gas Company and Wyeth Pharmaceuticals.

Enforcement

The Siting Board is authorized to levy a civil penalty when an applicant has violated any order of the Board. The maximum fine is \$1,000 per day per violation, with a maximum civil penalty of \$200,000 for any related series of violations. In 2004, the Siting Board fined Exelon Fore River \$7,000 for a variety of construction noise violations at the site of its Fore River power plant in Weymouth.

Certificate of Environmental Impact and Public Interest

The Siting Board has the authority to remove obstacles to the construction of certain energy facilities through the granting of a Certificate of Environmental Impact and Public Interest (or Public Need). The Certificate takes the form of the state or local permit, license or other approval required for construction of the facility. By granting the

Certificate, the Siting Board releases the facility from any state or local permit requirement, license, or other “burdensome condition or limitation” that would unduly delay or prevent construction of an energy facility approved by the Board. A facility developer may also apply for a Certificate if it believes there are inconsistencies among resource use permits issued by state or local agencies. The Siting Board did not exercise this authority in 2004.

Siting Division Responsibilities

The Siting Division, comprised of attorneys and technical analysts, performs the staff work for the Siting Board activities described above. In addition, the Siting Division handles a variety of land use cases for the Department, including petitions for zoning exemptions, for authority to exercise eminent domain, and for permission to construct certain transmission lines that do not fall under Siting Board jurisdiction.

Zoning Exemptions

State law authorizes the Department to exempt public service corporations from compliance with specific municipal zoning ordinances or by-laws if it determines that the present or proposed use of the land or structure is reasonably necessary for the convenience or welfare of the public. The Department may hear these cases or refer them to the Siting Board for review. In 2004, the Department granted zoning exemptions to U.S. Generating, New England, for installation of environmental compliance equipment at its Salem Harbor power plant, and to National Grid for expansion of an electric substation in West Boylston. In addition, the Siting Board granted NSTAR Electric a number of zoning exemptions for substation work related to the construction of its new 345 kV transmission line. The Department also formalized a set of filing requirements for parties seeking zoning exemptions.

Transmission Approvals

State law requires companies to seek Department approval for the construction of certain new or upgraded transmission lines pursuant to G.L. c. 164, § 72. The Department may hear these cases or refer them to the Siting Board for review. In 2004, the Department approved new transmission lines in Georgetown and Groveland, to improve North Shore reliability, and from Barnstable to Nantucket, to serve the island of Nantucket. In addition, the Siting Board granted § 72 approval for the construction of NSTAR's new 345 kV transmission line.

Eminent Domain and Survey Access

On behalf of the Department, the Siting Division adjudicates petitions by electric, natural gas, and water companies for the right to exercise the power of eminent domain to meet their public service obligations, and to enter private lands for the purpose of making a survey preliminary to eminent domain proceedings. In 2004, the Department granted Mill River Pipeline, LLC, permission to survey property in Fall River and Somerset.

Precedent, Policies and Practices

Transmission Planning and Regulation

In 2004, the Legislature adopted a bill that (1) clarified the filing requirements for applicants seeking Siting Board approval to construct transmission lines, gas pipelines, and similar facilities, and (2) clarified the types of companies that are required to seek Department approval for transmission lines pursuant to G.L. c. 164, § 72, and are authorized to seek to exercise the right of eminent domain to construct such transmission lines. Separately, the Department opened an inquiry into the types of transmission lines that require Department approval pursuant to G.L. c. 164, § 72.

Carbon Dioxide Policy

Since 1991, the Siting Board has required developers of new generating facilities to mitigate the emission of carbon dioxide (“CO₂”) from their plants. Currently, the Siting Board requires developers to make monetary contributions based on the plant’s level of CO₂ emissions to cost-effective CO₂ mitigation programs to be selected through consultation between the developer and Siting Board staff. This approach is intended to promote a broad range of mitigation activities, such as landfill gas recovery or energy efficiency, in addition to tree-planting. Developers may also make their contributions to the Climate Trust, a national organization that funds projects that reduce greenhouse gas emissions. As of the end of 2004, the Siting Board had approved CO₂ mitigation programs with a total value of nearly \$2 million.

Ongoing Regulatory Revisions

The Siting Board has initiated a complete overhaul of its regulations to reflect the enactment of the merger legislation in 1992 (which merged the Department’s Siting Division with the Energy Facilities Siting Board), the enactment of the Electric Restructuring Act, and other changes in the energy industry since the creation of the Siting Board in the late 1970s. Consistent with the directives of Executive Order 384, the Siting Board also has sought to simplify the language of its regulations and make them more accessible to the lay reader.

Pipeline Engineering and Safety Division

Overview

The Pipeline Engineering and Safety Division (“Pipeline Safety Division”) is responsible for technical and safety oversight of nine natural gas companies and four municipal gas departments in Massachusetts. The Pipeline Safety Division is a certified agent of the U.S. Department of Transportation (“US DOT”) and enforces federal regulations pertaining to natural gas distribution pipelines within the Commonwealth. The Pipeline Safety Division also enforces the Department’s own comprehensive gas safety regulations and the state’s “Dig Safe” law, a statute requiring companies and individuals performing excavation work to notify the Dig Safe program in order to ensure safe excavation work.

The Pipeline Safety Division’s authority over technical and safety issues requires it to:

- Inspect gas facilities for compliance with federal and state design, construction, operating, maintenance, emergency and plant security regulations; and enforce such regulations;
- Investigate and determine the cause of gas-related accidents and make recommendations to minimize recurrences;
- Develop regulations applicable to the gas industry to enhance public safety;
- Enforce the Dig Safe Law by investigating alleged violations and assessing fines;
- Inspect and test gas meters for accuracy and safety before the meters are installed at consumers’ premises;
- Resolve consumer complaints regarding the accuracy of gas and electric meters by field tests; and
- Ensure that utility operators restore the streets and roads after excavating in the public way.

Pipeline Safety Division Responsibilities

Natural gas and propane are considered hazardous fuels by both the state and the federal government. Massachusetts has 19,000 miles of gas mains, 20 liquefied natural gas (“LNG”) plants, and 24 propane plants. These facilities serve over 1.4 million customers.

To protect consumers and the general public from the potential hazards involved in the transmission, distribution, production, storage and use of natural gas and propane, both the US DOT and the Department regulate these facilities. In addition to enforcing the Department's regulations, the Pipeline Safety Division acts as an agent for the US DOT in the enforcement of federal regulations. The Pipeline Safety Division inspects natural gas distribution pipeline facilities within the Commonwealth, investigates incidents, and imposes remedial actions (including civil penalties) when a natural gas operator is found to be negligent.

Gas Facility Inspections

The Pipeline Safety Division's engineers inspect gas facilities (pipelines, meter stations, regulator stations, dispatch centers, LNG plants, and propane-air plants) for compliance with federal and state safety regulations. If an apparent violation exists, a Notice of Probable Violation ("NOPV") or Warning Letter is issued to the alleged violator along with a Consent Order. The Consent Order includes action(s) to be taken by the alleged violator to correct the violation and a fine. The alleged violator may agree to the Consent Order, thereby settling the case, or may ask for an informal review conference with Pipeline Safety Division staff. A company found to be in violation may request an adjudicatory hearing before the Department if it disputes the informal review decision.

During 2004, the Pipeline Safety Division conducted 670 inspections and found 20 violations. A total of \$52,000 in fines was levied and \$53,000 in fines were collected. These fines are deposited into the General Fund of the Commonwealth.⁷

Intrastate Transmission Pipelines

There are 34.3 miles of intrastate gas transmission lines in Massachusetts. The increased use of natural gas to generate electricity has resulted in the construction of new intrastate pipelines to connect power plants directly to interstate gas transmission lines. As intrastate facilities, these pipelines fall under the aegis of the Pipeline Safety Division, whose engineers inspect their design, construction, operation, and maintenance. Some of these new lines are owned and operated by the power plant operator instead of the traditional gas distribution companies. Such pipelines typically operate at pressures significantly higher than local gas distribution pressures.

Investigation of Natural Gas Incidents

When a gas-related incident occurs, such as a fire or explosion, the Pipeline Safety Division's engineers investigate to determine its cause, whether the pipeline operator was in violation of any safety regulations, and to make recommendations to

⁷ In 2003, the Legislature increased the fines for violation of federal and state safety regulations to \$50,000 per violation for each day the violation persists, up to a maximum of \$1,000,000 for any related series of violations. St. 2003, c.140, §§ 38,39, amending G.L. c. 164, § 105A.

the Commission for preventing or minimizing a recurrence of such incidents in the future. During 2004, the Division investigated two gas-related incidents.

Homeland Security- Intrastate LNG Facilities

Security of pipeline facilities has become a major issue since the September 11th terrorist attacks. Natural gas pipelines and their associated facilities are vital to the Massachusetts economy. In 2004, the Pipeline Safety Division continued to inspect high-profile facilities such as LNG and liquid petroleum gas plants, gate stations, and dispatch centers, and worked with gas companies and other government officials to ensure that extra security precautions have been taken to protect gas pipeline facilities and the public.

Dig Safe Law Enforcement

Massachusetts' Dig Safe law requires any person who proposes to excavate in public or private land to pre-mark the excavation site and to notify the Dig Safe Center of his intent to excavate. The Dig Safe Center then contacts all operators of underground gas pipelines and electric, telecommunication and television cables in the excavation locale. These operators, in turn, must mark the locations of their facilities in advance of the excavation to minimize the risk of potential damage by the excavator. Lastly, the excavator must take adequate precautions to prevent damage to the facilities while digging.

Any person aware of possible violations of Dig Safe procedures may report them to the Pipeline Safety Division; utility operators are mandated by regulation to report possible Dig-Safe violations. The Pipeline Safety Division investigates the reports, issues NOPVs, conducts informal review conferences with the respondents and operators of the facilities, and performs field inspections, as necessary. The Pipeline Safety Division then issues findings and may assess a civil penalty. If the Pipeline Safety Division's decision is disputed, a Legal Division Hearing Officer will conduct a formal adjudicatory hearing. In 2004, the Pipeline Safety Division received 1,620 reports of possible Dig Safe violations. After investigating these reports, the Pipeline Safety Division issued 414 NOPVs and collected \$106,900 in fines.

Gas Meter Testing

State law requires that each gas meter be tested by the Pipeline Safety Division for volumetric accuracy and for leakage once every seven years, or when the meter is removed from service. Gas companies or municipal gas departments ("operators") typically remove meters to be tested and replace them with previously approved meters. Operators then deliver meters to their meter shop where one of the Division's compliance officers tests them to ensure that they are not leaking and that the consumer is getting the correct amount of gas. The Division collected \$1,850,960 in meter testing fees in 2004.

Consumer Metering Complaints

The Pipeline Safety Division assists the Department's Consumer Division in addressing complaints by customers pertaining to both gas and electric metering. In the case of an electric meter, the Pipeline Safety Division witnesses a test of the "complaint" meter in the field to determine its accuracy. For gas meters, the suspect meter is removed and tested at the operator's premises by a Division compliance officer.

Preservation of the Public Way

In response to complaints from municipalities and industry about the lack of repairs made to public roads after utility work was completed, the Department promulgated street restoration standards in 1998. The regulations set standards for soil compaction, paving and other activities affecting road condition.

Partnership with Industry

US DOT regulations require that gas utility operating personnel be qualified by training and experience. These qualifications must be demonstrated by testing and work history. The Pipeline Safety Division, together with the Northeast Gas Association ("NGA") and industry representatives, to develop a model operator qualification ("OQ") program. Most of the natural gas operators in Massachusetts and the rest of New England now use this program to comply with OQ rules. The Gas Technology Institute is developing a national program based on the training program.

In other areas of cooperation, the Pipeline Safety Division has worked with regulators in the five New England states and NGA to develop qualification procedures for welders of steel pipelines and fusers of plastic pipeline. This effort resulted in uniform qualifications for welders and fusers throughout New England which allows operators to avoid expending resources for the re-qualification of an employee from another New England state. At the same time, pipeline safety regulators are assured that the personnel are qualified in these essential pipeline construction functions.

Precedent, Policies and Practice

The Department is a national leader in gas pipeline safety. The Pipeline Engineering and Safety Division's actions in response to violations of gas-related safety regulations have gained the recognition of US DOT and agencies in other states. With more LNG plants than any other state in the country, the Commonwealth's LNG safety regulations are among the most stringent in the country.

Massachusetts is one of only a few states that has addressed the important issue of replacement or abandonment of aged cast-iron pipe. The Department's regulations require pipeline operators to prioritize and replace segments of old cast-iron pipe in accordance with Department-developed criteria. In addition, companies must

replace or abandon such pipes, subject to specific criteria, when third-party excavation occurs nearby.

The Department has taken measures to address the potential safety hazards posed by unused service lines. The Department has updated existing regulations requiring the abandonment of unused lines. The regulations also specify more stringent gas leakage survey methods for operating lines.

2004 Pipeline Safety Division Accomplishments

In 2004, the Pipeline Safety Division:

- Conducted 670 gas facility inspections, resulting in the issuance of 14 compliance actions relevant to 20 violations of pipeline safety regulations; collected \$53,000 in civil penalties from operators who violated the pipeline safety regulations.
- Completed investigations of an explosion and fire at a fish farm in Montague and a house explosion in Somerville.
- Investigated 1,620 reports of Dig Safe violations; issued 414 Notices of Probable Violation for violations against the Dig-Safe Law; collected \$106,900 in civil penalties from Dig Safe violators.
- Tested 185,096 gas meters, thereby collecting \$1,850,960 in meter testing fees.

Transportation Division

Overview

The Transportation Division regulates the rates and practices of common carriers used to transport merchandise and people, including trucks, railways, buses, household moving companies, towing companies and hazardous waste. In addition, the Transportation Division licenses all intra-state Massachusetts-based motor bus companies. The Transportation Division investigates and may hold fitness hearings after a consumer complaint, a driving violation, or an accident involving a common carrier. Undoubtedly, the most critical function of the Division is public safety. The other major responsibility of the Transportation Division is consumer protection.

Although no assessments are levied against regulated common carriers, these companies are subject to fees for services such as licensing, inspection, and examination. These revenues are not retained by the Department, but are deposited directly into the Commonwealth's General Fund. During 2004, the Transportation Division generated approximately \$2.3 million in revenues which is deposited into the General Fund.

Critical Public Safety Functions

In accordance with the provisions of G.L. c. 90, § 8A and G.L. c. 159A, § 9, the Transportation Division issues both School Bus Driver Certificates and Motor Bus Driver Certificates. During 2004, the Transportation Division issued over 2000 new school bus driver certificates. Ensuring a cadre of reliable school bus drivers is essential to children's safety. The Transportation Division licenses all school bus drivers in Massachusetts after (1) reviewing a physician's exam, (2) evaluating driving records, (3) performing a criminal record check, and (4) administering a three-part driving test. The Transportation Division works with the Registry of Motor Vehicles and the industry to set standards for school bus driver and other commercial driver training and qualifications.

School Bus Driver Certificates and Motor Bus Driver Certificates issued in 2004

School Bus Driver Certificates:	11,768
(new and renewals)	
Motor Bus Driver Certificates:	869

Total Certificates issued:	12,637
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On-Site School Bus Driver Compliance Reviews

In cooperation with the State Police, Transportation Division staff perform periodic, random compliance reviews of school bus drivers. The reviews are conducted on-site, at schools and are arranged so as not to interfere with the school day. Division

staff review the driver's license and certification while a state police officer conducts a safety examination of the bus.

On-Site School Bus Driver Compliance Reviews for 2004

During calendar year 2004, one statewide compliance review was performed in November:

Companies	Drivers	Total Violations Identified
33	195	63

Safety Oversight of Transit Authorities

State law specifies the Department as the oversight agency responsible for the safety of equipment and operations of all transit authorities in Massachusetts including transit bus systems, motor coaches and sightseeing vehicles. The Division performed 4,389 safety inspections during 2004. In addition, under authority delegated by the Federal Railroad Administration and as required by G.L. c. 160, the Transportation Division performs inspections of new installations and upgrades of highway/railroad grade crossing signal systems.

The Federal Transit Administration ("FTA") requires that states oversee the safety and security of Rail Fixed Guideway Systems. The Massachusetts Bay Transportation Authority ("MBTA") is the only Massachusetts transit authority which operates a rail fixed guideway system. As required by G.L. c. 161A, § 3(i) and 49 C.F.R. § 659, the Transportation Division oversees the safety and security program plans of the MBTA, the fifth largest transit authority in the United States, and monitors compliance with the Department's safety and security program standard. While other states with smaller transit authorities often dedicate an entire regulatory division to overseeing the transit authority, MBTA oversight is but one responsibility of the Transportation Division. A random inspection of MBTA subway cars is a component of this oversight program. During 2004, the Division participated in 22 internal transit audits.

The Transportation Division reviews, tests and approves the System Safety and Security Plans created by the MBTA. Transportation Division staff work closely with MBTA staff conducting on-site inspections of facilities and equipment. In addition, Transportation Division staff review and participate in internal safety and security audits to further enhance compliance and safety. Every three years, the Transportation Division conducts a comprehensive safety and security audit, designed to evaluate the Safety and Security Plans.

Safety Inspections in 2004

Transit bus, motor coach and sightseeing vehicles	4389
Highway/railroad grade crossing signal systems (New installation/upgrades)	10
Transit audits	22
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Total Safety Inspections:	4421

Licensing of Certain Common Carriers

In accordance with G.L. c. 159B, § 3 and G.L. c. 159A, §§ 7 and 11A, the Transportation Division licenses common carriers transporting people or property by vehicle. During 2004, the Transportation Division conducted 143 licensing hearings.

Licensing Hearings

Bus Companies	48
Tow Companies	46
Household Movers	49
Hazardous Waste	0
<hr/>	
Total:	143

In addition, 138 licenses were revoked or disciplinary action taken for carriers that failed to maintain insurance and/or to obtain current-year identification devices.

Provision of Decals and Permits

Vehicle specific decals and permits (for trucks, buses, etc.) are required by law to denote a licensed common carrier. In 2004, the Transportation Division issued 13,157 decals and permits, collecting over \$350,000 in revenues.

Consumer Complaint Investigations

In accordance with the provisions of G.L. c. 159B, § 6B and 220 C.M.R. § 272.00, the Transportation Division regulates the price and service related to the towing and storage of vehicles without the permission of the owner or operator. The Transportation Division will respond to or investigate consumer complaints submitted in writing. The Transportation Division received 115 consumer complaints in 2004.

Consumer Complaints

Complaints regarding tow companies:	87
Number of complaints resulting in a refund:	59 (68%)
Total dollars refunded:	\$ 4584.75
Average refund	\$ 77.71

Complaints regarding moving companies:	28
Number of complaints resulting in a refund:	10
Total dollars refunded:	\$ 2274.50
Average refund	\$ 227.45

Total Refunds to Consumers	\$ 6859.25
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Inter-Agency Cooperation

The Transportation Division works with the following Massachusetts trade groups, state and federal agencies:

- Statewide Towing Association (“STA”). The STA petitions the Department for rate relief regarding police ordered tow rates. The maximum rate is established by a Department rulemaking procedure.
- Automobile Insurance Bureau (“AIB”). The AIB sometimes intervenes in tow rate cases on behalf of the automobile insurance industry.
- School Transportation Association of Massachusetts (“STAM”). The STAM represents the school bus industry in Massachusetts. The Transportation Division licenses all the school bus drivers in Massachusetts. The Transportation Division works with STAM to formulate outreach programs such as safety training for drivers and school bus company personnel.
- New England Bus Transportation Association (“NEBTA”). The NEBTA represents the motor bus industry in Massachusetts. All Massachusetts-based motor bus companies must be licensed by the Department. The NEBTA sometimes intervenes on behalf of a member at license hearings.
- U.S. Department of Transportation, Federal Motor Carrier Safety Administration (“FMCSA”). The FMCSA conducts carrier safety audits of Massachusetts-based truck and motor bus companies. The FMCSA provides guidance regarding federal safety regulations and commercial driver qualifications.
- Federal Transit Administration (“FTA”). The FTA published rules which mandate a state safety/security oversight program of a subway system. The Department is the oversight agency for the MBTA subway operations

and the state oversight agency for all 15 transit agencies in Massachusetts.

- Federal Railroad Administration (“FRA”). The Department is mandated by statute to ensure all new and modified highway/railroad grade crossing signal systems operate in accordance with FRA regulations. No changes to a highway/railroad grade crossing signal system can occur without a “Notice to Proceed” from the Department.

Legal Division

Overview

The Legal Division staff serves as the chief legal and policy advisor to the Commission and provides legal support to all divisions of the Department. The Legal Division also serves as the Department's primary liaison with the Legislature, particularly the Committees on Telecommunications, Energy and Utilities; Ways and Means; Economic Development and Emerging Technologies; and Transportation.

Division Responsibilities

Formal Adjudication

The Legal Division's primary duty is presiding over adjudicatory proceedings conducted under the Massachusetts Administrative Procedures Act (G.L. c. 30A) and the Department's procedural regulations (220 C.M.R. §1.00). During 2004, the Legal Division participated in the issuance of 157 Orders. A list of the Orders issued is attached at Appendix 3.

Adjudications are the formal determination of parties' rights through a quasi-judicial process. All parties – both the party filing the action and any intervenors – are entitled to due process safeguards, meaning that the parties are entitled to adequate notice and the opportunity to be heard. Parties to the action have the right to present evidence, cross-examine witnesses, and receive a written decision from the Department. Pursuant to G.L. c. 25, § 4, the Chairman of the Department may delegate authority to an attorney from the Legal Division, known as the "Hearing Officer," to preside over Department adjudications.

Adjudicatory proceedings vary in complexity and may be divided into categories including:

- Utility rate-making;
- Review of utility long-range forecast and supply planning;
- Review of utility financial transactions (e.g., stock, bond, and security issuances);
- Review of proposed utility mergers;
- Resolution of billing disputes between residential consumers and utilities;
- Review of proposed energy facility construction and siting (e.g., electric generation facilities and transmission lines); and

- Certification of common carriers to do business within the Commonwealth (e.g., telecommunications companies, truck companies, bus companies).

In conducting a formal adjudicatory proceeding, the Department generally holds two types of hearings: (1) a public hearing, and (2) an evidentiary hearing. Public hearings are publicized throughout the utility's service territory. In certain types of cases, public hearings are held in a utility's service territory. Public hearings are transcribed by a stenographer. If held in a utility's service territory, public hearings are conducted during the evening, usually in an easily accessible public building such as the Town Hall, and are usually presided over by a Commissioner. The public hearings afford local consumers the opportunity to learn more about a rate request, offer their input about the pending case, and comment on the practices of the utility. Residential and business customers are a valuable source of information to the Department in developing a case record.

Evidentiary hearings are conducted in a courtroom setting in the Department's Boston offices. These proceedings are also transcribed by a stenographer. The hearings are presided over by the Hearing Officer, with the active participation of the Department's technical staff. The technical staff participate by questioning witnesses to ensure that the record is accurate and complete.

While the adjudicatory process does not require adherence to all formal rules of evidence, the evidentiary hearing process follows many rules of civil procedure, and parties are almost always represented by counsel from the utility bar. Evidentiary hearings afford intervenors the opportunity to question company witnesses. In many rate cases, the Attorney General of the Commonwealth is an intervenor. Other intervenors may include public interest organizations, DOER, and local consumer, business or neighborhood groups. Sometimes intervenors put on a direct case with witnesses of their own.

The Department issues a Final Order at the conclusion of each adjudicatory proceeding, based on the evidence in the record. Pursuant to G.L. c. 25, § 5, the Department's Final Order is appealable directly to the Massachusetts Supreme Judicial Court without intermediate appellate review. In certain circumstances, Department Orders may also be appealed to the Federal District Court or the FCC.

Other Types of Adjudication

Consumer Adjudicatory Proceedings

A "consumer adjudicatory" involves a complaint by an individual residential customer, usually regarding billing and termination of utility service. An informal hearing is conducted by the Department's Consumer Division and a written decision is issued. If the Consumer Division's decision is appealed, a Hearing Officer from the Legal Division is assigned to conduct a formal hearing pursuant to G.L. c. 30A.

Requests for Advisory Ruling

The Department is sometimes called upon to issue advisory rulings with respect to the applicability of any statute or regulation enforced or administered by the Department. The Department has discretion to decline a request for an advisory ruling. G.L. 30A, § 8; 220 C.M.R. § 2.08.

Notice of Inquiry Proceedings

The Department issues a Notice of Inquiry (“NOI”) when the agency desires public input on a particular issue. Thus, NOIs are Department-initiated investigations that are neither formal adjudications nor rulemakings. The goal of the NOI is to encourage broad input in the development of public policy. The Department derives authority to issue a NOI from G.L. c. 164, § 76.

Participants in an NOI proceeding file comments and may provide sworn testimony. However, participants are not cross-examined and do not have appeal rights. The order issued at the close of the investigation is usually a general policy statement with guidelines for future actions by utilities or by the Department. The policy established through the NOI may be further developed in the future through company-specific adjudications.

Rulemakings

The Department conducts rulemakings pursuant to G.L. c. 30A, §§ 4-10 and 220 C.M.R. § 2.00, to adopt, amend or repeal regulations pertaining to the activities of all industries the Department is charged by statute with regulating. A rulemaking proceeding may involve simple procedural regulations or may address complex regulatory issues. The Department is required to provide public notice of a proposed rulemaking and to allow an opportunity for public comment. After consideration of the public comment, the Department may issue final regulations. Any final regulation must be published in the Code of Massachusetts Regulations.

Policy and Planning Division

. The Policy and Planning Division was formed in 2004 to assist the Department in its efforts to promote a robust and competitive energy and telecommunications industry in Massachusetts. The Director of Policy and Planning is responsible for directing a multi-disciplinary group charged with the analysis, development, and implementation of policy objectives for the Commission and Administration in the gas, electric, telecommunications and cable sectors. The Director develops and analyzes data; advises cabinet secretary-level administration officials on policy alternatives, goals, and strategies; and proposes legislation and revising regulations to implement policies and procedures. The Director tracks federal and regional policy trends and suggests appropriate policy and regulatory responses as they affect consumers, ratepayers, and regulated industries

Consumer Division

Overview

The Consumer Division is responsible for enforcing and monitoring compliance with Massachusetts laws and Department regulations protecting consumers of gas, electricity, telecommunications, water, and cable services. Over one thousand companies fall within the scope of the Consumer Division's regulatory authority, with the largest number in the telecommunications industry.

Fulfilling its statutory and regulatory responsibilities requires the Consumer Division to:

- Respond to nearly 60,000 telephone inquiries annually from consumers;
- Investigate over 9,000 complaints annually;
- Contact utility personnel on a regular basis, ordering widespread changes in billing practices or customer policy when necessary;
- Provide annual training for utility consumer representative managers;
- Conduct informal hearings;
- Approve bill notices and billing inserts;
- Gather and keep statistics for reporting and informational purposes; and
- Advise the Department on issues in pending cases.

Division Responsibilities

Responses to Consumer Inquiries

The Consumer Division's most important duty is to respond to the roughly 300 to 400 telephone calls it receives daily concerning utility and cable companies. Calls to the Consumer Division are categorized either as inquiries, for which information may be given, or complaints, for which cases are opened.

The Consumer Division operates a call center management system which allows staff to provide direct personal attention to consumer inquiries and complaints, while also allowing for automated voice-activated assistance to those consumers who wish to reach their utility or cable company directly. The system frees the Consumer Division's utility specialists to focus on calls requiring Consumer Division expertise.

Investigation and Resolution of Consumer Complaints

Every utility or cable complaint opened by the Consumer Division must be resolved before it can be closed. The Division handles an average of 10,000 complaints annually. The Consumer Division receives most complaints by phone, but also receives them by mail and email. The majority of the complaints concern billing disputes, credit issues, or poor quality of service allegations. In those cases in which the utility company is found to be at fault, the Consumer Division will order the company to correct the problem and to make any necessary bill adjustments.

If a consumer or utility company is not satisfied with the resolution of a complaint filed with the Consumer Division, either party may request an informal hearing. Informal hearings for residential complaints are conducted by regulatory specialists and issue a written decision. Parties unhappy with the informal decision may request a formal adjudicatory hearing conducted by a Hearing Officer in the Department's Legal Division.

Telecommunications "slamming" complaints have become a significant part of the Consumer Division's complaint resolution activity. A slamming complaint is an allegation that a consumer's telecommunications service provider was switched without proper authorization. In Massachusetts, slamming complaints are governed by federal and state rules which prohibit slamming and establish both formal and informal complaint resolution procedures. Under Massachusetts law, a consumer must bring a slamming complaint to the Department within 90 days after the date of the notice indicating the service provider change. If the Department determines a "slam" has occurred, the consumer will receive a refund of the unauthorized charges.

Utility Compliance Training

To help increase compliance with Department regulations, the Consumer Division holds annual utility managers' meetings. At these meetings, Consumer Division staff reviews regulations pertaining to billing, protections from shut-offs, policies on abatements, and other areas of consumer protection. Noncompliance with these regulations may require a company to issue a refund, resume service after a shut off, or adjust a bill.

Review of Utility Bills and Notices

The Consumer Division is responsible for reviewing utility billing material and notices. The Consumer Division reviews bill format changes, bill inserts and notices, including rate change notices, as well as informational letters sent to consumers. The Consumer Division may recommend changes to notices where necessary to ensure that consumers are provided clear and accurate information.

Consumer Education

The Consumer Division periodically develops informational brochures on important subjects in the utility industry, such as electric deregulation and

telecommunications slamming. The Consumer Division staff will speak at meetings with community organizations like the United Way to provide information to case workers who assist low-income and elderly utility consumers.

Compilation of Statistics

In its computer database, the Consumer Division maintains a record of each consumer complaint and inquiry. The complaint data include the name of the customer and the utility, the type of utility service, the nature of the complaint, whether the complaint resulted in a hearing, and whether an adjustment was made on the bill. The database also keeps track of additional data, including the number and category of calls by industry, company, and regulatory specialist investigating the call.

The Consumer Division generates monthly statistical reports for the Department which include cases, inquiries, and bill adjustment amounts per industry and their percentage increase or decrease in the previous twelve-month average. The reports compare companies using measures such as the number of residential complaints per 1000 customers, and the total number of complaints per month. The Consumer Division provides statistical information to the Department, utilities, government representatives and the media. The statistical complaint data compiled by the Consumer Division provides an important basis for determining whether fines should be levied against a utility for failure to meet required service quality benchmarks. Statistical complaint data may also provide evidence of fraud or unfair trade practices, and if so this information may be shared with the state Attorney General's Office.

Consumer Division 2004 Accomplishments

Appendix 4 contains Consumer Division statistics by industry for calendar year 2004.

- The Consumer Division received a total of 55,442 consumer contacts in 2004 by phone, mail and email, with a peak daily volume of 429 calls. Of these contacts: (1) 12,696 were general inquiries from consumers, (2) 9,026 resulted in consumer cases against utility and cable companies, and (3) 33,720 were transferred directly the Division's name recognition system to the utility company the consumers were trying to reach;
- In 2004, the Consumer Division investigated 359 slamming allegations against telephone carriers.
- The Consumer Division refunded \$475,573 to consumers as a result of its case investigations.

Executive Division

Overview

The Executive Division provides administrative support to the Department for management information systems, public relations, purchasing, accounts receivable and payable, payroll, personnel management and budget preparation and management. The Executive Division also serves as liaison to the Office of Consumer Affairs and Business Regulation ("Consumer Affairs"), the Fiscal Affairs and Human Resources Divisions in the Executive Office for Administration and Finance, and various jurisdictional legislative committees.

The Executive Division manages the Department's budget, which is funded almost entirely by assessments against electric, gas, telecommunications and cable companies under the Department's jurisdiction.

The Executive Division drafts and issues all press releases on behalf of the Department, responds to all media inquiries, and prepares speaking points and briefing materials for Consumer Affairs and the Governor's Press Office.

Administration

The Administration section of the Executive Division is responsible for publishing notices of all Departmental public hearings and meetings. In 2004, the Department conducted a total of 183 hearings. Although most hearings are held in the Department's South Station Offices, the Department conducted 14 public hearings in other locations throughout the state.

The Administration section also processes all docket filings and Orders issued by the Department and manages the records retention program. Many of our systems have been automated in recent years, as described in the section below.

Management Information Systems/ Computer Services

Management Information Systems ("MIS") is responsible for operation of the Department's information technology systems, telephone system and Website. The Department uses a variety of technologies to disseminate information to the citizens of the Commonwealth, to Department staff, and to the utility companies that the Department regulates.

Management of the Department's Computer Network

Internally, the Department uses a Windows-based data network of 215 desktop computers, 45 laptop computers for field inspectors and traveling staff, and ten connections for remote users. MIS is responsible for operating, maintaining, and upgrading the Department's computer network, as well as assisting and training Department staff in its use.

The Department's desktops and servers use Microsoft's Windows 2000 architecture. Electronic security policies prohibiting users from making potentially harmful system configuration changes have reduced the number of system reconfigurations significantly.

Management of the Department's Website

MIS manages the Department's Website, located at www.mass.gov/dte. The website is continually updated to ensure that both staff and consumers can obtain information quickly and easily. The Website contains a search engine with keyword searching, which enables users to locate information by topic. In addition, the Consumer Services section of the Website allows for easy retrieval of utility company information.

On the Department Website, consumers may browse, search, and download files and Orders issued by the Department, as well as search for items by docket number in the "Enhanced Fileroom." In addition, consumers may access lists of electric and telecommunications companies licensed to do business within Massachusetts, and can determine which utilities serve their communities. Consumers can obtain information about Department programs and initiatives such as electric restructuring, gas unbundling, and the Dig Safe law. Consumers also may file a complaint on-line, and may direct a question about utility service to the Department's Consumer Division as well as each of the technical divisions.

The Department's Website provides links to utility company and trade association websites, and to the websites of other state and federal agencies. These include: DOER, the FCC, the Federal Nuclear Regulatory Commission, and FERC.

Management of the Department's Telephone System

The Department's telephone system provides consumers with quick access to utility company complaint centers through the use of voice recognition software. The system can route calls directly from the Department to the utility company identified by the caller. The new software recognizes both English and Spanish.

MIS also manages the sound system, projector and electronic white board for the Department's largest hearing room, which makes it possible for all persons in the room to hear the testimony of witnesses and view presentations.

Appendix 1 - Cable Television Division Orders Issued in 2004

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
January 8, 2004	CTV 01-4	Adelphia Cable Communications - Order on Refund Plan
January 9, 2004	CTV 03-2	Cox Communications - Rate Order
February 13, 2004	CTV 03-7	Adelphia Cable Communications - Rate Order
February 20, 2004	CTV 03-8	Adelphia Cable Communications - Rate Order
March 3, 2004	CTV Y-00	Charter Communications - Notice
March 19, 2004	CTV 03-1	Comcast Cable - Order on Compliance Filing
April 27, 2004	CTV 03-6	Charter Communications - Order on Responses to Record Requests
May 7, 2004	CTV 03-4	Time Warner - Ruling on Responses to Information Requests
May 11, 2004	CTV 03-3	Form 100 - Request for Further Comments
June 16, 2004	CTV 04-1	Charter Communications - Rate Order
July 1, 2004	CTV 03-4	Time Warner Cable - Order on Request for Confidential Treatment
July 20, 2004	CTV 03-6	Charter Communications - Rate Order
August 23, 2004	CTV 03-5	Adelphia Cable Communications - Rate Order

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
September 21, 2004	CTV 03-4	Time Warner Cable - Rate Order
October 15, 2004	CTV 03-5	Adelphia Cable Communications - Order on Compliance Filing
October 21, 2004	CTV 04-3 & CTV 04-4	Comcast Cable - Order to Consolidate
October 28, 2004	CTV 04-2	Cox Communications - Rate Order
November 30, 2004	CTV 03-3	Form 100 - Order
December 16, 2004	CTV 03-4	Time Warner Cable - Order on Compliance Filing

Appendix 2- Siting Division Orders Issued in 2004

ENERGY FACILITIES SITING BOARD:

EFSB 04-1/D.T.E. 04-5/D.T.E. 04-7 – Petition of Boston Edison Company, d/b/a NSTAR Electric, for Approval to Construct a Three-Circuit 345 kV Transmission Line and Ancillary Facilities in the City of Boston and the Towns of Stoughton, Canton and Milton, Tentative Decision issued 12/22/04; Final Decision issued 1/14/05

EFSB 98-7, Sithe Edgar Development LLC, Notice of Probable Violations

EFSB 98-7, Sithe Edgar Development LLC, Ruling on Project Change and Compliance

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY:

D.T.E. 03-83, Petition of USGen New England, Inc., pursuant to G.L. c. 40A, § 3, for exemption from the Zoning Ordinance of the City of Salem.

D.T.E. 03-130, Petition of Massachusetts Electric Company for a determination by the Department of Telecommunications and Energy, under the provisions of G.L. c. 164, § 72, that a proposed 23 kV overhead electric transmission line in Groveland and Georgetown, Massachusetts, is necessary and will serve the public convenience and is consistent with the public interest.

D.T.E. 04-4, Petition of New England Power Company for Zoning Exemption from the Town of West Boylston, Massachusetts, in the Proposed Expansion of its Wachusett No. 47 Substation.

D.T.E. 04-10, Petition of Nantucket Electric Company for a determination by the Department of Telecommunications and Energy, under the provisions of G.L. c. 164, § 72, that a proposed 33-mile underground and submarine 46 kV distribution line from Barnstable to Nantucket is necessary and will serve the public convenience and is consistent with the public interest.

D.T.E. 04-26, Petition of Mill River Pipeline, L.L.C., pursuant to M.G.L. c. 164, §§ 72A, 75D and 75H, for approval by the Department of Telecommunications and Energy to enter upon various properties in the City of Fall River and the Town of Somerset, Massachusetts, to survey gas pipeline routes preliminary to eminent domain proceedings.

Appendix 3 - Department Orders Issued in 2004

<i>Docket</i>	<i>Caption and Date Issued</i>
03-117-A	Petition of Boston Edison Company for approval of its 2003 Transition Charge True-Up pursuant to the restructuring Settlement Agreement Issued: January 6, 2004
04-1	An investigation by the Department regarding the assignment of interstate pipeline capacity pursuant o Natural Gas Unbundling, D.T.E. 98-32-B Issued: January 12, 2004
98-AD-11	Adjudicatory proceeding in the matter of Veronica Bell relative to electric bills rendered by Hingham Municipal Lighting Plant due to her alleged violation of the Sanitary Code. Issued: January 14, 2004
03-69	Petition of Commonwealth Electric Company d/b/a NStar Electric, pursuant to G.L. c. 164, §§ 1A, 1G, 76, and 94 , for approval of asset divestiture. Issued: January 16, 2004
03-59-A	Proceeding by the Department on its own motion to implement the requirements of the Federal Communications Commission's <u>Triennial Review Order</u> regarding switching for large business customers served by high-capacity loops. Issued: January 23, 2004
03-04-24	Complaint of Hwei-Ling Greeney, claiming that her long distance and toll exchange services were switched to Sprint Communications, L.P., without authorization. Issued: January 27, 2004
03-40-A	Petition of Boston Gas Company d/b/a/ KeySpan Energy Delivery New England pursuant to G.L. c. 164, § 94, and 220 C.M.R. § 5 <u>et seq.</u> , for a general increase in gas rates. Issued: January 27, 2004
03-40-B	Petition of Boston Gas Company d/b/a/ KeySpan Energy Delivery New England pursuant to G.L. c. 164, § 94, and 220 C.M.R. § 5 <u>et seq.</u> , for a general increase in gas rates. Issued: January 27, 2004
03-121	Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in Standby Rate tariffs for NSTAR Electric. Issued: January 29, 2004

- 03-25-K Petition of Marblehead Municipal Light Department, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: January 30, 2004
- 03-25-L Petition of Belmont Municipal Light Department, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: January 30, 2004
- 03-25-M Petition of Danvers Electric Division, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: January 30, 2004
- 03-25-N Petition of North Attleborough Electric Department, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: January 30, 2004
- 03-25-O Petition of West Boylston Municipal Lighting Plant, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2002.
Issued: January 30, 2004
- 03-25-P Petition of West Boylston Municipal Lighting Plant, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: January 30, 2004
- 98-57 Ph.III-D Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in M.D.T.E. No. 17, filed with the Department by Verizon New England, Inc. d/b/a/ Verizon Massachusetts on May 5 and June 14, 2000, to become effective October 2, 2000.
Issued: January 30, 2004
- 03-76 Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. 159, § 12, 32 and 39 regarding the failure by individually named common carriers of telecommunications services to file their annual returns for year 2001 and 2002.
Issued: February 3, 2004
- 03-04-31 Adjudicatory proceeding in the matter of complaint of Commonwealth Learning Center claiming its long-distance and local exchange services were switched to Broadview Networks, Inc. without authorization.
Issued: February 4, 2004

- 02-AD-3 Adjudicatory hearing in the matter of complaint of George Douglas, relative to rates and charges rendered by Massachusetts Electric Company.
Issued: February 18, 2004
- 03-62-A Inquiry by the Department of Telecommunications and Energy, on its own motion, to investigate the use of the New England Generation Information System for purposes of complying with the Information Disclosure Requirements contained in 220 C.M.R. § 11.06.
Issued: February 18, 2004
- 03-89 Petition of The Berkshire Gas Company for approval of issuance of long-term debt securities in an amount not to exceed \$20,000,000.
Issued: February 18, 2004
- 03-71 Petition of Western Massachusetts Electric Company for approval of a reclassification of its transmission and distribution facilities.
Issued: February 24, 2004
- 02-38-B Investigation by the Department of Telecommunications and Energy on its own motion into distributed generation.
Issued: February 24, 2004
- 02-75 Petition of Bay State Gas Company for approval of its long-range forecast and supply plan for the five-year period 11/1/02 through 10/31/07.
Issued: February 24, 2004
- 03-60 (Track B) Investigation by the Department of Telecommunications and Energy on its own motion to implement the requirements of the FCC's Triennial Review order regarding switching for mass market customers.
Issued: February 27, 2004
- 03-80 Investigation by the Department on its own motion as to the propriety of rate and charges in a tariff filed by Witches Brook Water Company.
Issued: February 27, 2004
- 04-28 Petition of the Chicopee Electric Light Plant, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2003.
Issued: March 1, 2004
- 04-28-A Petition of Wakefield Municipal Gas & Light Department, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2004.
Issued: March 1, 2004

- 04-28-B Petition of Belmont Municipal Light Department, for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2004.
Issued: March 1, 2004
- 02-80B-1 Petition of Cambridge Electric Light Company and Commonwealth Electric Company for approval of their 2002 transition charge true-up, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03 (4)(e).
Issued: March 5, 2004
- 03-133 Application of Bellingham Realty Corporation of Bellingham, Massachusetts and Vanasse Hangen Brustlin Inc. for approval by the Department of Telecommunications and Energy for a variance from the requirement in D.P.U. 12769, requiring the installation of casings for four crossings of high pressure natural gas pipelines of Tennessee Gas Pipeline Company, located in Bellingham, Massachusetts.
Issued: March 9, 2004
- 03-112 Petition of Boston Edison Company d/b/a NStar Electric for approval by the Department pursuant to G.L. c. 164, §§ 1A, 1G, 76, and 94, of proposed divestiture of property in Newton, Massachusetts.
Issued: March 10, 2004
- 03-42-A Petition by the Massachusetts Bay Transportation Authority to commence a rulemaking pursuant to 220 C.M.R. § 2.00 et seq., to amend 220 C.M.R. § 151.00 et seq.: Rail Fixed Guideway System: Safety System Program Standard.
Issued: March 12, 2004
- 02-46 Petition of the Town of Framingham for a determination by the Department of the rates applicable to the transportation and treatment of sewage pursuant to an inter-municipal agreement with the Town of Ashland.
Issued: March 19, 2004
- 03-36 Petition of Bay State Gas Company for authority to recover exogenous costs.
Issued: March 25, 2004
- 03-94 Petition of Fitchburg Gas and Electric Light Company for approval of a Firm Liquid Natural Gas Service Agreement with Distrigas of Massachusetts.
Issued: March 26, 2004
- 03-130 Petition of Massachusetts Electric Company under M.G.L.A. c. 164, § 72 for a determination that a proposed 23 kV overhead electric transmission

line in Groveland and Georgetown is necessary, will service the public convenience and is consistent with the public interest.
Issued: March 26, 2004

03-114 Petition of The Berkshire Gas Company for Approval of Service Agreements for Firm Liquid Service and Firm Vapor Service between the Berkshire Gas Company and Distrigas of Massachusetts, LLC, pursuant to G.L. c. 164, § 94A.
Issued: April 1, 2004

03-129 Application of Boston Edison Company d/b/a NSTAR Electric for authorization to issue long-term debt securities not to exceed \$500 million; for an exemption from the advertising requirements of G.L. c. 164, § 15; and for an exemption from the par value requirements of G.L. c. 164, § 15A.
Issued: April 1, 2004

03-60 Track A and Track B
Proceeding by the Department on its own Motion to Implement the Requirements of the Federal Communications Commission's Triennial Review Order Regarding Switching for Mass Market Customers.
Issued: April 2, 2004

04-26 Petition of Mill River Pipeline, LLC, pursuant to G.L. c. 164, §§ 72A, 75D and 75H, for approval by the Department to enter upon various properties in the City of Fall River and the Town of Somerset to survey gas pipeline routes preliminary to eminent domain proceedings.
Issued: April 26, 2004

04-32 Petition of Cape Light Compact for approval to enter into a competitive electric supply agreement as an opt-out municipal aggregator.
Issued: May 4, 2004

EC03-3 Review and approval of Fitchburg Gas and Electric Light Company electric delivery service contract.
Issued: May 11, 2004

03-45 Petition of Richmond Connections, Inc. d/b/a Richmond NetWork requesting proceeding to establish a Universal Service Fund.
Issued: May 12, 2004

04-36 Petition of Southern Union Company for approval of financing.
Issued: May 28, 2004

04-46 Petition of Massachusetts Electric Company for approval of 2004 Summer Load Relief.
Issued: June 10, 2004

- 98-96 Assessment on the intra-state revenues of electric companies for fiscal year 2005.
Issued: June 14, 2004
- 03-83 Petition of USGen New England, Inc., pursuant to G.L. c. 40A, § 3, for exemption from the Zoning Ordinance of the City of Salem.
Issued: June 22, 2004
- 97-98/97-18 (Phase II)
Implementation of Section 276 of the Telecommunications Act of 1996 relative to public interest payphones.
Issued: June 23, 2004
- 03-92 Assessments applied to selected utility companies owing or having entitlements to electric power from nuclear generating facilities.
Issued: June 23, 2004
- 04-50 Petition of Dover Water Company for approval of financing.
Issued: June 25, 2004
- 03-20 Investigation into Massachusetts Electric Company's 2002 Service Quality Report.
Issued: June 29, 2004
- 04-SL-9 Complaint of South Shore Oil Heat Supply, Inc. claiming that its long-distance telephone service was switched to LCR Telecommunications, LLC without authorization.
Issued: July 6, 2004
- 04-SL-10 Complaint of Robert Cometa claiming that his long-distance service was switched to ACN Communication Services, Inc. without authorization.
Issued: July 6, 2004
- 04-28-C Petition of Ashburnham Municipal Light Plant for approval of an increase in the rate of depreciation from three percent to five percent for 2004.
Issued: July 13, 2004
- 04-28-D Petition of Paxton Municipal Light Department for approval of an increase in the rate of depreciation from three percent to five percent for 2003.
Issued: July 13, 2004
- 04-28-E Petition of Groveland Municipal Light Plant for approval of an increase in the rate of depreciation from three percent to five percent for 2003.
Issued: July 13, 2004

- 04-28-F Petition of Merrimac Light Department for approval of an increase in the rate of depreciation from three percent to five percent for 2003.
Issued: July 13, 2004
- 04-41 Petition of Southern Union Company for authorization and approval to issue and distribute up to 4.25 million shares of common stock as a dividend payment to the Company's equity shareholders during 2004.
Issued: July 16, 2004
- 03-82 Petition of Western Massachusetts Electric Company for approval of the issuance and sale of long-term debt securities in an amount not to exceed \$52 million in principal.
Issued: July 19, 2004
- 04-73 Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of the rates and charges set forth in tariff M.D.T.E. No. 17 filed by Verizon New England, Inc. d/b/a Verizon Massachusetts.
Issued: July 22, 2004
- 03-121 Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of rates and charges set forth in tariffs for effect on February 1, 2004 by Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, d/b/a NSTAR Electric.
Issued: July 23, 2004
- 04-SL-13 Adjudicatory proceeding in the matter of complaint of Delta Marketing Industrial Group, Inc., pursuant to G.L. c. 93 §§ 108 et seq., claiming that its long-distance telephone service was switched to LCR Telecommunications, LLC without authorization.
Issued: August 3, 2004
- 04-31 Petition of Western Massachusetts Electric Company pursuant to G.L. c. 25A, § 11G, for approval by the Department of an Energy Efficiency Plan for 2004.
Issued: August 6, 2004
- 03-8 Review by the Department of Telecommunications and Energy, pursuant to G.L. c. 25, § 19 and G.L. c. 25A § 11G, of Massachusetts Electric Company and Nantucket Electric Company's 1998, 1999, and 2000 Demand-Side Management Performance Measurement Reports, and of Eastern Edison Company's 1999 Demand-Side Management Performance Report.
Issued: August 9, 2004

- 03-86 Petition of KeySpan Energy Delivery New England for approval of its energy efficiency performance summary and shareholder incentive calculation for the period May 1, 2002 through April 20, 2003 and final budget for the period May 1, 2003 through April 30, 2004.
Issued: August 9, 2004
- 03-52 Petition of Fitchburg Gas & Electric Light Company for approval of its 2003 Integrated Gas Resource Plan for the Forecast Period 2002-03 through 2006-07 pursuant to G.L. c. 164, § 69I et seq.
Issued: August 13, 2004
- 04-11 Petition of NSTAR Electric Company pursuant to G.L. c. 25, § 19, G.L. c. 25A, § 11G, and G.L. c. 164, § 17A, for approval of an Energy Efficiency Plan for 2004 including a proposal for financial assistance to municipal and small commercial energy efficiency projects.
Issued: August 19, 2004
- 03-73 Petition of Blackstone Gas Company for approval of the Company's Long-Range Forecast and Supply Plan for the period 2003 through 2008.
Issued: August 19, 2004
- 04-27 Petition of Fitchburg Gas and Electric Light Company pursuant to G.L. c. 25, § 19 and G.L. c. 25A, § 11G, for approval of an Energy Efficiency Plan for 2004.
Issued: August 20, 2004
- 01-70 Complaint of Fiber Technologies Networks, L.L.C., pursuant to G.L. c. 166, § 25A and 220 C.M.R. § 45.00 et seq. regarding access to poles owned or controlled by Shrewsbury's Electric Light Plant.
Issued: August 20, 2004
- 03-76-A Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159 §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns for 2001 and 2002.
Issued: August 20, 2004
- 03-76-B Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004
- 03-76-C Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166,

§§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004

03-76-D Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004

03-76-E Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004

03-76-F Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004

03-76-G Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12, 32 and 39 and G.L. c. 166, §§ 11 and 12, regarding the failure by several individually named common carriers of telecommunications services to file their annual returns.
Issued: August 20, 2004

04-51 Application of Massachusetts Electric Company for authorization and approval to: (1) execute one or more loan agreements or supplemental loan agreements with the Massachusetts Development Financing Authority in connection with the issuance of new tax-exempt debt to refinance outstanding tax-exempt bonds, in an amount not to exceed \$40 million, together with related financing and security agreements, and (2) issue one or more additional series of pledged first mortgage bonds. Massachusetts Electric Company also seeks exemptions from the advertising requirements of G.L. c. 164, § 15 and the par value requirements of G.L. c. 164, § 15A.
Issued: August 20, 2004

04-28-H Petition of the Marblehead Municipal Light Department for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2004.
Issued: August 24, 2004

- 04-28-I Petition of the Sterling Municipal Light Department for authorization and approval of an increase in the rate of depreciation from the statutory rate of three percent to five percent for the year 2004.
Issued: August 24, 2004
- 04-52 Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of the rates and charges set forth in the following tariffs: The Berkshire Gas Company, M.D.T.E. Nos. 343 through 349, filed on May 14, 2004, to become effective September 1, 2004.
Issued: August 27, 2004
- 04-75 Petition of Southern Union Company for authorization and approval pursuant to G.L. c. 164, § 17A, to invest up to \$700 million in CCE Holdings, LLC, a joint venture between Southern Union and an equity partner, GE Commercial Finance Energy Financial Services.
Issued: August 27, 2004
- 04-82 Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 102E, filed with the Department on August 6, 2004, to become effective September 1, 2004 by Boston Edison Company.
Issued: August 27, 2004
- 04-60 Petition of Cambridge Electric Light Company and Commonwealth Electric Company for approvals relating termination of purchase power agreements with Pittsfield Generating Company, LP.
Issued: September 7, 2004
- 03-117 Petition of Boston Edison Company d/b/a NSTAR Electric for approval of its 2003 transition charge true-up.
Issued: September 9, 2004
- 03-70 Petition of Statewide Towing Association, Inc., to amend 220 C.M.R. § 272 regarding maximum rates and charges for towing and transportation of vehicles.
Issued: September 9, 2004
- 04-30 Petition of Massachusetts Electric Company and Nantucket Electric Company for approval of their 2004 energy efficiency plan.
Issued: September 13, 2004
- 03-34 Petition of Western Massachusetts Electric Company for approval of its transition charge reconciliation filing for 2002.
Issued: September 24, 2004

- 04-GC-22 Petition of Colonial Gas Company d/b/a KeySpan Energy Delivery for approval of firm transportation agreement with Bardon Trimount Corporation.
Issued: September 28, 2004
- 04-GC-23 Petition of Boston Gas Company d/b/a KeySpan Energy Delivery for approval of firm transportation agreement with Brookhouse Condominium Trust.
Issued: September 28, 2004
- 04-GC-21 Petition of Colonial Gas Company d/b/a KeySpan Energy Delivery for approval of a firm transportation agreement with Bardon Trimount Corporation.
Issued: September 29, 2004
- 04-79 Investigation into the propriety of the rates and charges of Blackstone Gas Company.
Issued: October 1, 2004
- 04-67 Petition of KeySpan Energy Delivery for waiver for uprating the maximum allowable operating pressure of high pressure pipeline.
Issued: October 4, 2004
- 97-88/97-18 (Phase II)
Implementation of Section 276 of the Telecommunications Act of 1996 relative to Public Interest Payphones.
Issued: October 5, 2004
- 04-29 Investigation into petition of KeySpan Energy Delivery New England for approval of gas sales agreements.
Issued: October 13, 2004
- 03-39-A Petition of Cape Light Compact for certification of its energy efficiency plan.
Issued: October 20, 2004
- 04-GC-24 Petition of Boston Gas Company for approval of a 365-day firm transportation agreement.
Issued: October 20, 2004
- 04-28-G Petition of Paxton Municipal Light Department for authorization and approval of an increase in rate of depreciation.
Issued: October 20, 2004

04-12 - 04-25

Investigation into 2003 service quality reports for electric distribution and local gas distribution companies.

Issued: October 22, 2004

02-75-A

Petition of Bay State Gas Company for approval of long-range forecast and supply plan.

Issued: October 22, 2004

04-80

Petition of Bay State Gas Company for approval to issue long-term debt.

Issued: October 25, 2004

04-48

Petition of Fitchburg Gas and Electric Light Company for cost recovery of employee benefits and post-retirement benefits other than pensions.

Issued: October 27, 2004

04-GC-25

Approval of Boston Gas Company for 365-day firm transportation agreement.

Issued: October 27, 2004

04-35

Petition of The Berkshire Gas Company for approval of a gas sales agreement.

Issued: October 28, 2004

04-88

Investigation into the propriety of the rates and charges of Boston Gas Company

Issued: October 29, 2004

04-92

Investigation by the Department of Telecommunications and Energy on its own motion regarding the circumstances under which an electric company must seek Department approval prior to transmission line construction or alteration.

Issued: November 1, 2004

04-48

Petition of Fitchburg Gas and Electric Light Company for approval of tariffs to provide recovery for costs associated with its obligation to provide employees pension benefits and post-retirement benefits other than pensions.

Issued: November 1, 2004

04-47

Petition of Berkshire Gas Company for approval of a gas portfolio optimization agreement and a gas sales and purchase agreement executed with BP Energy Company.

Issued: November 5, 2004

- 03-90 Petition of Colonial Gas for the recovery of exogenous costs associated with demand side management.
Issued: November 8, 2004
- 04-83 Petition of Southern Union Company to issue common stock and equity units for funding a investment in CCE Holdings, LLC.
Issued: November 12, 2004
- 04-74 Petition of Nantucket Electric Company and Massachusetts Electric Company for approval to execute one or more loan agreements and to pay and to issue additional first mortgage bonds.
Issued: November 18, 2004
- 03-47-C Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company d/b/a NSTAR for approval of tariffs to provide recovery for costs associated with their obligations to provide employees pension benefits and post-retirement benefits other than pensions.
Issued: November 19, 2004
- 04-107 Investigation by the Department of Telecommunications and Energy on its Own Motion as to propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 10, by Verizon New England, Inc.
Issued: November 19, 2004
- 04-68 Petition of Boston Edison Electric Company d/b/a/ NSTAR Electric for Approvals Relating to the Assignment of Purchase Power Agreements with Ocean State Power and Ocean State Power II.
Issued: November 22, 2004
- 04-GC-28 Petition of KeySpan Energy Delivery for approval of a gas contract.
Issued: November 29, 2004
- 03-82-A Petition of Western Massachusetts Electric Company for the issuance and sale of long-term debt securities.
Issued: November 30, 2004
- 04-GC-28 Petition of Boston Gas Company for approval of a 365-day firm transportation agreement.
Issued: December 1, 2004
- 03-127 Petition of Aquarion Water Company for an accounting deferral.
Issued: December 2, 2004
- 01-106-B Investigation to increase the participation rate for discounted electric gas and telephone service.
Issued: December 6, 2004

- 04-115 Request for comments on the procurement of default service power supply for residential and small commercial and industrial customers.
Issued: December 6, 2004
- 04-62 Petition of KeySpan Energy Delivery for approval of a consolidated cost of gas adjustment.
Issued: December 9, 2004
- 04-2 Investigation regarding merger savings report of Commonwealth Electric Company, Cambridge Electric Light Company and Boston Edison Company.
Issued: December 13, 2004
- 04-116 Investigation regarding service quality guidelines established in Service Quality Standards, D.T.E. 99-84 (2001).
Issued: December 13, 2004
- 03-28-B Investigation by the Department of Telecommunications and Energy on its own motion into distributed generation.
Issued: December 13, 2004
- 04-28-K Petition of Middleborough Gas and Electric Department for approval of an increase in the rate of depreciation.
Issued: December 15, 2004
- 04-28-J Petition of North Attleborough Electric Department for approval of an increase in the rate of depreciation.
Issued: December 15, 2004
- 04-91 Petition of Boston Gas Company for approval of a firm vapor service agreement.
Issued: December 15, 2004
- 04-33 Petition of Verizon New England, Inc. for arbitration of interconnection agreements.
Issued: December 15, 2004
- 01-20-Part A-C Investigation into appropriate pricing for unbundled network elements.
Issued: December 15, 2004
- 03-60/04-73 Implementation of the FCC's Triennial Review Order regarding mass market customers/investigation into the propriety of rates and charges of Verizon New England.
Issued: December 15, 2004

- 03-59-B Implementation of the Requirement of the FCC's Triennial Review Order regarding switching of large business customers serviced by high-capacity loops.
Issued: December 15, 2005
- 04-107 Petition of Verizon New England to grandfather certain retail services.
Issued: December 15, 2004
- 04-4 Petition of New England Power Company for zoning exemption of the Town of West Boylston.
Issued: December 21, 2004
- 04-10 Petition of Nantucket Electric Company for proposed distribution line.
Issued: December 21, 2004
- 04-95 Petition of KeySpan Energy Delivery New England for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-96 Petition of Bay State Gas Company for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-97 Petition of NSTAR Electric for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-98 Petition of NSTAR Gas for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-99 Petition of New England Gas Company, Fall River service area, for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-100 Petition of New England Gas Company, North Attleborough service area, for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-101 Petition of The Berkshire Gas Company for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004

- 04-102 Petition of Fitchburg Gas and Electric Light Company for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-103 Petition of Cape Light Compact for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-104 Petition of Blackstone Gas Company for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-105 Petition of Western Massachusetts Electric Company for approval of proposed budget for residential energy conservation service programs.
Issued: December 24, 2004
- 04-94 Petition of Massachusetts Electric Company and Nantucket Electric Company for approval of proposed budgets for residential energy conservation service programs.
Issued: December 27, 2004
- 04-48 (Phase II)
Petition of Fitchburg Gas and Electric Light Company for approval of cost recovery of employees pension benefits and post-retirement benefits other than pensions.
Issued: December 28, 2004
- 04-9 Petition of KeySpan Energy Delivery for approval of gas resource portfolio management and gas sales agreement.
Issued: December 28, 2004
- 04-112 Petition of Nantucket Electric Company for approval of cable surcharge.
Issued: December 28, 2004
- 04-118 Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company for approval of annual pension/PBOP adjustment factors.
Issued: December 28, 2004
- 04-114/04-117
Petition of Cambridge Electric Light Company and Commonwealth Electric Company for approval of 2004 transition cost reconciliation filing and proposed increase to standard offer fuel adjustment.
Issued: December 29, 2004

04-113/117

Petition of Boston Edison Company for approval of 2004 transition cost reconciliation filing and proposed increase to standard offer fuel adjustment.

Issued: December 29, 2004

02-79/03-124/03-126

Petition of Massachusetts Electric Company, Nantucket Electric Company and New England Power Company for approval of settlement.

Issued: December 29, 2004

04-106

Petition of Western Massachusetts Electric Company for approval of rate settlement.

Issued: December 29, 2004

04-108

Petition of Fitchburg Gas and Electric Light Company for approval of electric reconciliation mechanism and transition charge reconciliation filing.

Issued: December 29, 2004

04-120

Investigation into the propriety of rates and charges of Evercom Systems, Inc.

Issued: December 30, 2004

Appendix 4 - Consumer Division Statistics by Industry

Legend

Referrals: Referrals from Consumer Division staff to a consumer when a case has not been opened.

Transfers: Consumers transferred directly to a utility company by the Department's automated telephone system.

Adjustments: Adjustments or rewards awarded to consumers.

Not Applicable: E.g., dead-air calls.

Unknown: E.g., not company specific or no company identified in request.

INDUSTRY	COMPANY	CASES	REFERRAL	TRANSFERS	ADJUSTMENTS
CABLE					
	ADELPHIA CABLE	40	92	126	\$416.41
	CABLEVISION		1	0	
	CENTURY CABLE	1	22	0	\$0.00
	CHARLEMONT CABLE		6	19	
	CHARTER CABLE	28	35	182	\$413.00
	COMCAST CORP.	468	1139	4265	\$5,535.78
	COX CABLE	1	5	43	\$114.00
	OTHER CABLE		2		
	RCN CABLE	68	267	714	\$3,584.03
	SHREWSBURY CABLE	1	1	19	\$0.00
	TIME WARNER CABLE	20	64	494	\$168.47
	TUFTS UNIVERSITY			7	
	TOTAL CABLE	627	1634	5869	\$10,231.69
ELECTRIC					
	BOSTON EDISON (NSTAR)	822	873	494	\$29,874.55
	CAMBRIDGE ELECTRIC	10	6	1103	\$732.00
	COM ELECTRIC	241	45		\$1,558.10
	MASSACHUSETTS	551	854	1454	\$7,975.64
	NANTUCKET ELECTRIC	2	2		\$0.00
	WESTERN MASS	179	272	887	\$657.91
	TOTAL INVESTOR-OWNED	1805	2052	3938	\$40,798.20
MUNICIPAL					
	ASHBURNHAM			132	
	BELMONT MUNICIPAL		1	39	\$0.00
	BOYLSTON ELECTRIC			88	
	BRAINTREE MUNICIPAL	3	1	4	\$0.00
	CHESTER			33	
	CHICOPEE MUNICIPAL	4	4	17	\$0.00

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
	CONCORD			77	
	DANVERS MUNICIPAL	2	2	0	\$0.00
	GROTON			17	
	GROVELAND MUNICIPAL	1		178	\$0.00
	HINGHAM MUNICIPAL	5	1	71	\$0.00
	HOLDEN ELECTRIC			45	
	HOLYOKE MUNICIPAL	8		17	\$0.00
	HUDSON ELECTRIC			234	
	HULL MUNICIPAL ELEC	1	3	0	
	IPSWICH MUNICIPAL ELEC	2	2	15	\$0.00
	LITTLETON ELECTRIC			67	
	MANSFIELD MUNICIPAL	4		14	\$0.00
	MARBLEHEAD MUNICIPAL		2	11	
	MERRIMAC MUNICIPAL	1	1	55	\$0.00
	MIDDLEBORO MUNICIPAL	2	2		\$0.00
	MIDDLETON MUNICIPAL		3	20	
	N. ATTLEBOROUGH MUN	3	3	13	\$0.00
	NORWOOD MUNICIPAL	2	2	43	\$0.00
	PAXTON MUNICIPAL ELEC		1	0	
	PEABODY MUNICIPAL	2	4	19	\$0.00
	PRINCETON MUNICIPAL			17	\$0.00
	READING MUNICIPAL ELEC	4		19	\$0.00
	ROWLEY MUNICIPAL ELEC	1		0	\$0.00
	RUSSELL MUNICIPAL ELEC		1	4	
	S. HADLEY MUNICIPAL	1	1	9	\$0.00
	SHREWSBURY MUNICIPAL	6	1	31	\$0.00
	STERLING MUNICIPAL	1		8	\$0.00
	TAUNTON MUNICIPAL	18	4	23	\$0.00
	TEMPLETON MUNICIPAL	2		25	\$0.00
	WAKEFIELD MUNICIPAL	1	1	21	\$0.00
	WELLESLEY ELECTRIC			13	
	WEST BOYLSTON			21	
	WESTFIELD MUNICIPAL	8	11	39	\$1,282.28
	TOTAL MUNI. ELECTRIC	82	51	1439	\$1,282.28
	GRAND TOTAL ELECTRIC	1887	2103	5377	\$42,080.48

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
GAS					
	BAYSTATE GAS	285	185	247	\$12,859.50
	BERKSHIRE GAS	30	11	69	\$1,613.87
	BLACKSTONE GAS	4	2	64	\$75.00
	BOSTON GAS	616	922	1807	\$123,873.02
	COLONIAL GAS CAPE	104	86	970	\$21,855.00
	COLONIAL GAS LOWELL	70	55		\$21,122.62
	COMMONWEALTH GAS	163	37	2367	\$6,622.25
	ESSEX COUNTY GAS	24	2		\$4,577.05
	FALL RIVER GAS	115	97	853	\$2,063.01
	FITCHBURG GAS & ELEC.	48	14	177	\$36.81
	NORTH ATTLEBORO GAS	8	2		\$588.77
	OTHER GAS CO.	2	7		\$0.00
	TOTAL INVESTOR-OWNED	1469	1420	6554	\$195,286.90
MUNICIPAL					
	HOLYOKE MUNICIPAL GAS	3	1		\$0.00
	MIDDLEBOROUGH MUN	1	1		\$0.00
	WESTFIELD MUNICIPAL	4	1		\$0.00
	TOTAL MUNICIPAL GAS	8	3		\$0.00
	GRAND TOTAL GAS	1477	1423	6554	\$195,286.90
MUNICIPAL					
	OTHER MUNICIPAL		2		
NOT					
APPLICABLE	OTHER	20	1018		\$0.00

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
SUPPLIER					
	DOMINION RETAIL, INC.	2	1		\$0.00
	EXELON ENERGY		1		
	NORTHEAST UTILITIES	2	1		\$0.00
	SERVI-SENSE	3	3		\$0.00
	UNITIL RESOURCES, INC.		2		
GRAND TOTAL SUPPLIERS		7	8		\$0.00
TELECOMMUNICATIONS					
	0		4		\$0.00
	011 COMMUNICATIONS	6			\$27.88
	1 COM, INC.		4		
	ACN	2			\$28.33
	ADELPHIA	1			\$0.00
	ADVANTAGE	3	1		\$521.18
	AIRNEX	3			\$10.53
	ALLEGIANCE TELECOM, INC.	14	7		\$724.67
	AMERICAN CYBER CORP. DBA	1			\$135.99
	AMERICAN PHONE SERVICES,				\$0.00
	AMERICAN TELECOM	1			\$0.00
	AMERICA'S DIGITAL SATELLITE				\$100.93
	AMERICA'S TELE-NETWORK,		7		
	AMER-I-NET SERVICES, CORP.		1		
	AT&T	2345	2643	5962	\$122,010.17
	BAK COMMUNICATIONS LLC	1	2		\$0.00
	BELL ATLANTIC		1		
	BROADVIEW NETWORKS	29	2		\$1,218.17
	BROADWING				\$5.00
	BULLSEYE TELECOM	2			\$0.00
	BUSINESS NETWORK LONG	2			\$0.00
	BUYERS ONLINE				\$0.00
	CHOICE ONE	14	25		\$1,381.63
	CLEARWORLD	8	3		\$0.00
	COINTEL INC.		1		
	COMCAST PHONE, LLC	90	148		\$8,962.46
	COMMUNICATE TECH.				\$0.00

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
	COMMUNICATIONS NETWORK	3			\$0.00
	CONVERSENT	8	3		\$260.00
	COOPERATIVE	1			
	COVISTA, INC.	1			\$0.00
	CTC COMMUNICATION CORP	1	1		\$0.00
	EASTERN TELEPHONE, INC.	30	6		\$1,019.27
	ECONODIAL, LLC		1		
	ELEC - FORMERLY ESSEX	3	1		\$327.80
	EMPIRE ONE				\$0.00
	ENHANCED COMMUNICATIONS	1			
	ESSENTIAL.COM			88	
	EVERCOM SYSTEMS, INC.	2			\$0.00
	EXCEL/VARTEC	17	2		\$405.91
	FAIRPOINT COMMUNICATIONS		1		
	FCC		256		
	GLOBAL CROSSING TELECOM	5			\$0.00
	GRANBY TELEPHONE	1	1	27	\$0.00
	GTC TELECOM	5	1		\$70.79
	IDT CORPORATION	80	68		\$723.49
	ILD - EVERCOM - TALTON -	3			\$346.76
	IMR TELECOM	6	1		\$2.00
	INTEGRETEL	1	1		\$0.00
	KAB COMMUNICATIONS -		1		
	LCR TELECOM, LLC	23	1		\$861.72
	LEGENT COMMUNICATIONS	2			\$0.00
	LEVEL 3 COMMUNICATIONS	1			
	LIGHTSHIP TELECOM, LLC	3			\$0.00
	LIGHTYEAR COMMUNICATIONS	1			\$101.76
	LOCAL PHONE COMPANY DBA	15	1		\$91.00
	LONG DIST. SRVS. - CEO	1			\$84.91
	MASSACHUSETTS LOCAL	6	2		\$11.56
	MATRIX TELECOM, INC.	3			\$75.00
	MCI-AGENCY RELATIONS	281	323	1197	\$9,032.88
	METRO TELECONNECT	3			\$498.76

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
	METROPOLITAN	1			
	NETWORK ACCESS		2		
	NETWORK ENHANCED				\$10.00
	NORCOM, INC.	1			\$40.31
	NORVERGENCE	2			\$0.00
	NOS COMMUNICATIONS, INC.	7	2		\$149.99
	NUI TELECOM, INC.	1			\$91.00
	OLS, INC.	1			\$0.00
	ONESTAR LONG	4			\$0.00
	OPERATOR ASSISTANCE	5			\$20.45
	OPTICAL TELEPHONE	4	2		\$155.93
	OPTICOM-ONE CALL	7	5		\$30.08
	OPTIMUM GLOBAL		2		
	OTHER COCOTS	1	7		\$0.00
	OTHER TELEPHONE CO.	66	44		\$138.17
	PAE TEC COMMUNICATIONS,	1	1		\$0.00
	PLAN B COMMUNICATIONS,				\$123.33
	POWERNETGLOBALCOMMUNIC	3			\$0.00
	PRIMUS	6	2		\$482.64
	QCC		1		
	QWEST COMMUNICATIONS	10	3		\$0.00
	RCN TELEPHONE	53	34	863	\$807.50
	RICHMOND TELEPHONE	3	1	20	\$37.26
	RIDLEY TELEPHONE COMPANY,	1	1		\$78.39
	RNK, INC.	2	1		\$0.00
	SBC ADVANCED SOLUTIONS,	1			\$0.00
	SERVISense	5	4		\$0.00
	SPECTROTEL, INC.	12	2		\$105.03
	SPRINT	178	44	200	\$23,963.01
	STARTEC GLOBAL	1			\$307.94
	TACONIC TELEPHONE CORP.		1	22	
	TALK AMERICA INC.	16	7		\$982.38
	TALK TIME	1	2		\$0.00
	TRALEE TELEPHONE COMPANY, LLC	1			\$0.00

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
	TTI NATIONAL, INC.		1		
	TWIN CITY CAPITAL, L.L.C. LL	5			\$35.42
	U. S. TELECOM LONG	30	4		\$187.38
	UKI COMMUNICATIONS, INC.				\$0.00
	UNITED SYSTEMS ACCESS	3	1		\$0.00
	UNI-TEL COMMUNICATIONS		1		
	USBI	9	1		\$41.90
	VARTEC TELECOM, INC.	23	4		\$1,561.34
	VERIZON	1436	2757	6686	\$48,565.91
	WILTEL COMMUNICATIONS,	2			\$0.00
	WINSTAR COMMUNICATIONS	1			\$0.00
	WORLDCOM		1		
	WORLDXCHANGE CORP	3	1		\$110.39
	XO COMMUNICATIONS, INC.	1	1		\$0.00
	ZEROPLUS	10	3		\$107.59
	Z-TEL	5	1		\$0.00
	TOTAL TELECOM	4951	6464	15065	\$227,173.89
UNKNOWN					
	UNKNOWN	37	6		\$0.00
WATER					
	ACOAXET WATER WORKS		1	9	
	AQUA WATER COMPANY		15	0	
	AQUARION WATER COMPANY	11	8		\$342.10
	ASHMERE WATER SUPPLY			65	
	ASSABET WATER	1		57	\$0.00
	ASTRO			39	
	BARNSTABLE WATER	1	1	101	\$0.00
	BUTTERWORTH			13	
	DOVER WATER COMPANY	1		27	\$457.50
	EAST NORFIELD WATER			5	
	GLACIAL LAKE CHARLES			46	
	HOUSATONIC WATER			18	
	HUTCHINSON WATER			7	

<u>INDUSTRY</u>	<u>COMPANY</u>	<u>CASES</u>	<u>REFERRAL</u>	<u>TRANSFERS</u>	<u>ADJUSTMENTS</u>
	KINGS GRANT WATER			29	
	MAHKEENAC		2	29	
	MASS AMERICAN			178	
	MENEMSHA			26	
	MILFORD WATER	2	3	22	\$0.00
	MONTEREY WATER			17	
	OAKES WATER COMPANY		1	59	
	OTHER WATER CO.	1	4		\$0.00
	PINE HILL WATER	1			\$0.00
	PLYMOUTH			35	
	SALISBURY WATER		1	34	
	SHEFFIELD WATER			9	
	SOUTH EGREMONT			15	
	SOUTHBRIDGE WATER	1			\$0.00
	WEST STOCKBRIDGE WATER			1	
	WESTPORT HARBOR			9	
	WHITINSVILLE WATER CO		1	0	
	WITCHES' BROOK WATER	1	1	5	\$0.00
	TOTAL WATER	20	38	855	\$799.60
	GRAND TOTAL	9,026	12,696	33,720	\$475,572.56